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APAA Show
Special Coverage

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

$2 a copy

VOL. 21, NO. 22 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | NOVEMBER 1, 1982

Fast-Tracking Automotive Sales

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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The branded apparel merchandising effort at K mart, Wayne, N.J., includes "names for less" sign on a three-tier, semicircular rack stocking Crazy Horse coordinates. *(DSN photo)*

K mart in Major Test Of Branded Apparel

By ARTHUR MARKOWITZ

TROY, Mich.—K mart has made a major plunge into name brand apparel merchandising.

The move—a test—is seen as markedly upgrading the discount's soft goods, particularly ladies' wear where the infusion of branded lines is most evident.

Header signs and posters on top of racks proclaiming "brands for less" single out the fixtures that offer such labels as Crazy Horse and Villager in ladies' wear, Adolfo and Henry Grethel in men's apparel and Fawn and Health Tex in children's goods.

As part of its move, K mart has developed a special ticket for branded goods that has a "compare at" price for what the same merchandise would cost in a conventional department store, plus a lower, discounted price charged by K mart.

The name brand test is currently under way in six K marts. One, the Wayne, N.J., store, is also merchandising Capezio shoes. The store is the only K mart reportedly experimenting with the "brands for less" effort in shoes.

K mart officials declined to comment on the test and whether the merchandise represents opportunistic buys or part of what will become a continuity program for name brand apparel.

(Continued on page 54)

More Discounters Offer Cut-price Designer Lines

By BETTY J. TAYLOR

What do Liz Claiborne, Evan Piccone, Anne Klein, Jones of New York and Crazy Horse have in common besides their department store status logos?

They're showing up with greater frequency in discount stores, tagged at 20% to 60% off regular price.

K mart, Gold Circle, Times Square Stores and Ann & Hope—following in the footsteps of successful specialists like Marshalls and T. J. Maxx—are the latest to move deeper into a category that got its start in discount with status jeans.

Other chains like Wal-Mart are closely monitoring this business, which is, in large part, calculated to bring a higher-income customer into the store.

Approaches vary from K mart's mixing off-price goods branded throughout its traditional apparel selections (see story this page) to Gold Circle's building a "Famous Brands For Less Shop" in the middle of ready-to-wear in 10 test stores.

For now, though, most chains in the discount industry are electing to watch from the sidelines.

Skeptics contend goods are too hard to come by and therefore limit merchandise continuity; also, demand for the well-known goods have shaved margins thin.

But, most of the controversy turns on one poignant question: What do these labels and their generally higher prices really mean to discounter clientele?

James Guinan, chairman of Gold Circle, believes "our upscaled customers appreciate the trade-up, and we hope to attract a new customer, one who now tends to shop us for hard lines only."

That new customer looks worth going after.

Industry estimates say the discounter branded apparel market will grow to $14 billion by 1985. With discretionary income shrinking, discounters can't afford to let that customer leave the store.

Adding to the pro off-price apparel argument is evidence more goods are available. Albeit for the most part the goods come through the backdoor, there are signs manufacturers are interested in widening distribution.

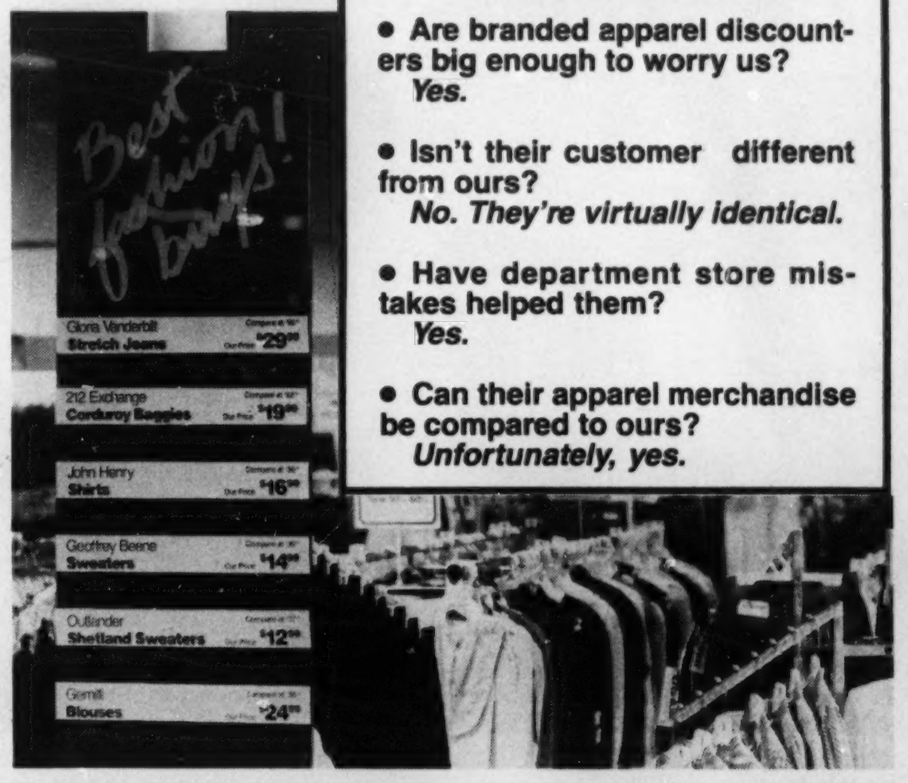
"Famous makers don't mind the business," said Greg Cichocki, Gold Circle's off-price merchandise manager. "But, it takes building trust among us and the designer/brand houses."

The trust usually involves stipulations. "We use the T. J. Maxx and Marshalls [advertising] strategy: never mention names," explained an executive for another chain.

(Continued on page 54)

Dept. Stores Ask:

- **Are branded apparel discounters big enough to worry us?** ***Yes.***
- **Isn't their customer different from ours?** ***No. They're virtually identical.***
- **Have department store mistakes helped them?** ***Yes.***
- **Can their apparel merchandise be compared to ours?** ***Unfortunately, yes.***



A recent department store study confirmed upstairs chains have reason to fear the new wave of off-price apparel discounters (inset). Gold Circle is among the latest to discount brand name apparel. The Cincinnati unit (above) is one of 10 stores testing the program. *(Photo: Bruce Crippen)*

Lifestyle Items to the Fore

New Prange Way Joins Upscale Ranks

By MARILYN NEERMAN

GREEN BAY, Wis.—Prange Way's newly unveiled prototype puts it in the ranks of the upscale discount chains.

The 85,000-sq.-ft. store, opened in Green Bay's new East Town shopping center, anchored by Prange Way and Kohl's, did it with a long list of innovative merchandising and presentation concepts. Among them:

- A lifestyle merchandising orientation gave prime real estate—to the right of the entrance—to the bath shop and a hostess/serving section of housewares.
- Wood slat "focal" displays were used in each corner of the apparel departments, instead of mannequins. Focal walls were used for apparel displays at the back of the departments, drawing the customers' attention from the front through the entire area.
- The consumer electronics department, also earmarked as a lifestyle segment, was designed with a custom four-way display for home computers. Video games also got custom treatment with a wall designed to permit customers to try the game of their choice before

(Continued on page 51)

Photos, floor plan p. 53.

A 15-ft. wall displays video games at Prange Way while a recorder in the backroom keeps them playing on the TV screens. With help from an employee, customers can try the games of their choice.

Digest Nov. 1, 1982

SPECIALTY DISCOUNTERS

- **Despite an earnings decline of 52% for the first six months of** the year, Oshman's is optimistic. (p. 17)

H&BA

- **Buyers turning to diverters and jobbers for prestige fragrances** question whether current availability signals a long-term trend. (p. 19)

AUTOMOTIVE

- **Automotive buyers spent this year correcting their mistakes of** 1981 and will be shopping the APAA show for earlier deals and middle-of-the-road price points. An in-depth report on the category begins on page 23.

HOUSEWARES

- **This month's Product Movement Audit highlights bestsellers** in New England in four categories. (p. 20)

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLASSWARE			
1	3600/672A Anchr Hckng Entrtnr set	1,257	28.79	36,189.03
2	N3600 Anchr Hckng Westwood, 24 pc, gold	1,309	16.19	21,192.71
3	4200 Anchr Hckng Forest 24-pc set, crst!	1,419	13.49	19,142.31
4	82437D Lbby Cntry Sqr 24 pc, blue	667	27.44	18,302.48
5	82486B Lbby 24-pc Bolero, blue	928	17.09	15,859.52
6	Y4200 Anchr Hckng Forest 24-pc set, brown	1,123	13.49	15,149.27
7	82486K Lbby 24-pc Bolero, gold	848	17.09	14,492.32
8	82430K Lbby Cntry Grdn, 24 pc, gold	656	21.59	14,163.04
9	225/3109E Anchr Hckng cry sham 9 oz	21,192	0.62	13,139.04
10	2152CV/240 Anchr Hckng Roses bvrg, 4 pk	2,770	4.67	12,935.90
11	82482 Lbby Chivalry 24-pc set	503	24.29	12,217.87
12	379T Lbby Twny clr, 4 pk	3,042	3.95	12,015.98
13	82438T Lbby 24-pc Fjord set, tawny	548	21.86	11,979.28
14	2156CV/240 Anchr Hckng Roses clr, 4 pk	2,308	4.94	11,401.52
15	82496T Lbby Twny Entrtnr set, 24 pc	659	17.09	11,262.31
	COOKWARE			
1	M433BP Ekco Bkr's Scrt obing cake pan	12,456	3.59	44,717.04
2	M411BP Ekco Bkr's Scrt ckie sht	9,118	4.04	36,836.72
3	M410BP Ekco Bkr's Scrt ckie sht	8,214	3.59	29,488.26
4	M120BP Ekco Bkr's Scrt 12-cp mffn pan	6,498	4.31	28,006.38
5	M426BP Ekco Bkr's Scrt roast/bake	4,546	4.94	22,457.24
6	M447BP Ekco Bkr's Scrt loaf pan	6,601	3.23	21,321.23
7	7993/143 Mirro 3-qt colander	3,294	5.39	17,754.66
8	R411 Ekco ckie sht	6,780	2.60	17,628.00
9	M160BP Ekco Bkr's Scrt pizza pan	4,547	3.59	16,323.73
10	M408BP Ekco Bkr's Scrt ckie sht	5,546	2.87	15,917.02
11	HM60SP Hllsde sprng form pan	2,325	6.74	15,670.50
12	R433 13 Ekco roasting pan	6,775	2.24	15,176.00
13	HM50 Hllsde sprng lyr cake, lse bot	1,912	6.92	13,231.04
14	M60BP Ekco Bkr's Scrt 6-cp mffn	3,522	3.59	12,643.98
15	T120 Ekco 12-cp mffn pan	3,906	3.23	12,616.38

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	RUBBERMAID			
1	2882 Cov. trash can 20 gal	2,706	14.39	38,939.34
2	2965 Laundry bskt, choc	5,833	5.57	32,489.81
3	2951 Dishpan, choc	10,245	3.14	32,169.30
4	2951 Dishpan, almond	9,441	3.14	29,644.74
5	2864 Fliptop bskt, choc	3,421	8.09	27,675.89
6	2951 Dishpan, gold	8,645	3.14	27,145.38
7	2965 Laundry bskt, gold	4,499	5.57	25,059.43
8	2965 Laundry bskt, almond	4,385	5.57	24,424.45
9	2850 Bskt lift lid, choc	2,734	8.09	22,118.06
10	0450 Bath mat, white	6,798	3.23	21,957.54
11	0450 Bath mat, choc	6,731	3.23	21,741.13
12	6032 Dish drainer, choc	3,488	6.11	21,311.68
13	6032 Drainer, almond	3,463	6.11	21,158.93
14	0450 Bath mat, lt blue	6,549	3.23	21,153.27
15	2858 Step-On wastebskt, choc	1,586	12.59	19,967.74
	PLASTICS			
1	364 Loma 32-gal rfs cntnr, lck lid	882	12.32	10,866.24
2	156 Rpblc Freezette 1 qt	3,612	2.96	10,691.52
3	T334 Tucker trash can 22 gal	1,086	8.99	9,763.14
4	SC510 Deka Strwbrry Shrtck mug	6,356	1.52	9,661.12
5	154 Rpblc Freezette 1 pt	3,171	2.96	9,386.16
6	5187 Rpblc 73-oz dcntr w/pt ptch	5,211	1.79	9,327.69
7	SU510 Deka Smurfs mug 10 oz	6,099	1.52	9,270.48
8	E6244 Eagle ss 44-oz obing saver	5,082	1.79	9,096.78
9	E6242 Eagle 22-oz obing saver	7,215	1.25	9,018.75
10	E4470 Eagle cold cut saver	3,467	2.60	9,014.20
11	SU530 Deka Smurfs tumbler 11 oz	6,985	1.25	8,731.25
12	P80 Lustro 11-qt hvy dty pail, alum	3,216	2.69	8,651.04
13	S2121 Sterlite 1-qt refrig. bottle	6,788	1.25	8,485.00
14	LP-44 Lustro dcntr	3,957	2.06	8,151.42
15	E5984 Eagle jar saver	6,002	1.34	8,042.68

Source: HalMar Distributors, Holyoke, Mass. Jan. 1-Aug. 2, 1982.

Trucking Problem Is Over

The trucking slowdown which threatened the fourth quarter is over and it appears delivery schedules are back to normal.

With the course of the economy and fourth-quarter sales levels still up in the air, resolution of the trucking problem was critical for discount merchants relying on timely deliveries to keep inventory levels lean.

A more recent hitch is the strike of Rubbermaid employees at its Wooster, Ohio, facility which (at presstime) was slowing the flow of merchandise from this backbone resource.

According to Harold Rubin, vice president of HalMar Distributors, Holyoke, Mass., which supplied this Product Movement Audit, distributors and retailers had some warning this strike was looming. As a result, they were able to build up sufficient Rubbermaid inventories for all but a protracted strike period. At the outset of the strike there was no indication about its duration.

The Rubbermaid line, as the audit covering Jan. 1 through Aug. 2, 1982, indicates, continues to be dominated by sales of basic items. As in previous audits, the covered trash can, laundry baskets, dish pans and drainers are among the top 15 sellers. They appear in such staple Rubbermaid colors as chocolate, almond and gold.

Rubbermaid's seafoam green, introduced to an initially lukewarm retail reception, has been well-received by customers. Their response, still gathering momentum, may make seafoam Rubbermaid's most successful new color introduction ever, according to Rubin.

New faces are constantly appearing in the licensed-character segment of the plastics category. Their combined strength has prompted several chains to organize a 4-ft. character shop section in housewares featuring plastics, glassware and hanging goods, such as knife/fork sets.

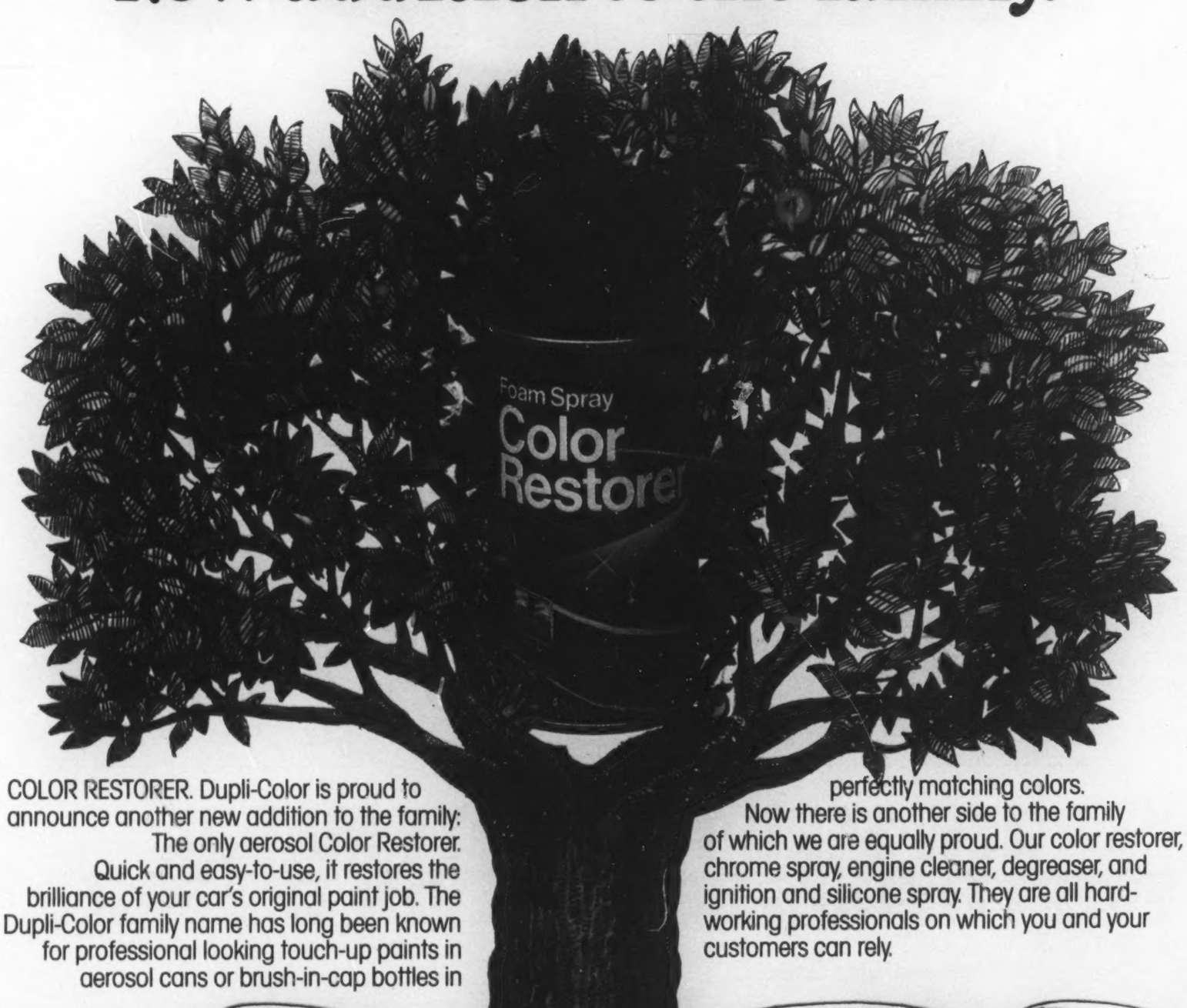
NHMA Switches '84 Show Dates

CHICAGO—The National Housewares Manufacturers Association has announced a switch in show dates beginning 1984.

The 80th International Housewares Exposition will be held at McCormick Place on March 25-29, 1984. This means a nine-month wait between the July 1983 show and the first show of 1984.

The follow-up 1984 show will take place the week of Oct. 8, marking a first-time midweek show opening because of the religious holiday, Yom Kippur, falling during the preceding weekend. The NHMA expects to announce the specific date of the October 1984 show opening sometime this month.

New addition to the family.



COLOR RESTORER. Dupli-Color is proud to announce another new addition to the family: The only aerosol Color Restorer. Quick and easy-to-use, it restores the brilliance of your car's original paint job. The Dupli-Color family name has long been known for professional looking touch-up paints in aerosol cans or brush-in-cap bottles in perfectly matching colors.

Now there is another side to the family of which we are equally proud. Our color restorer, chrome spray, engine cleaner, degreaser, and ignition and silicone spray. They are all hard-working professionals on which you and your customers can rely.

AUTOMOTIVE

Chemical Sales

Items	1963	1979	1990	% Annual Growth Historic	Projected
Total Sales (millions)	$749.9	$2,895.9	$6,640	8.8	7.8
Motor Oil	237.1	775.0	1,270	7.7	4.6
Grease & Fluid	53.5	236.9	495	9.7	6.9
Oil Additives	19.2	134.6	420	12.9	10.9
Fuel Additives	10.9	77.6	230	13.1	10.4
Transmission Additives	1.6	11.9	45	13.4	12.9
Antifreeze	116.7	508.4	1,155	9.6	7.7
Radiator Additives	24.5	34.1	60	2.1	5.3
Aerosol Products	16.2	109.3	350	12.7	11.2
Bulk Chemicals	86.4	305.3	880	8.2	10.1
Paint/Dyes	113.0	387.3	905	8.0	8.0
Rustproofing	13.9	65.3	100	10.2	4.0
Auto Body Filler	9.0	35.1	110	8.9	10.9
Adhesives/ Sealants	14.8	75.3	270	10.7	12.3
Waxes/Cleaners	27.6	85.1	200	7.3	8.1
Vinyl Top Chem/ Car Washes	5.5	54.7	150	15.4	9.6
By Market					
DIY	234.1	1,292.6	3,520	11.3	9.5
Professional	515.8	1,603.3	3,120	7.3	6.2
% DIY	31.2	44.6	53.0	—	—

Source: Predicasts Inc.

DIY Projected to Keep Boosting Share of Aftermarket

DIY Auto Product Shift

	1980 mil $	1980 %	1985 mil $	1985 %	1995 mil $	1995 %
DIY Electrical Parts	920	17.0	1,560	17.2	3,320	17.8
DIY Nonelectrical Parts	1,390	25.7	2,565	28.2	6,175	33.2
DIY Chemicals	1,449	26.8	2,460	27.0	4,830	26.0
DIY Accessories	1,654	30.6	2,510	27.6	4,290	23.0
DIY TOTAL	5,413	100.0	9,095	100.0	18,615	100.0

*Source: Predicasts Inc.

Discounters' Biz Breakout

Item	Per cent Of Sales*
Tires	20.0
Parts (major products)	27.0
Chemicals (major products)	28.0
Accessories (major products)	20.0
Miscellaneous	5.0
Total	100.0

*Includes all auto product sales—DIY and professional. Source: Predicasts Inc.

A growing auto population, rising consumer affluence and inflation are all factors seen as responsible for a growth in the value of DIY auto aftermarket shipments by manufacturers—from $1 billion in 1967 to over $5.4 billion in 1980, according to a survey by Predicasts.

The study reports that in the early 1970's the DIY market enjoyed a faster growth than the total aftermarket. Economical concerns and improved consumer distribution and marketing techniques have contributed to the surge in the DIY auto category.

By 1995 DIY shipments are expected to approach $19 billion. The DIY market should approach 44% of the total aftermarket by 1995—up 9% from the current figure.

In the automotive category, product emphasis in the do-it-yourself area is expected to shift during the 1980's. According to a report by Predicasts, accessory products are expected to decline in market share while the nonelectrical category is projected to record major gains.

Chemicals and electrical parts will remain relatively stable.

Market share in the total DIY area should continue to increase—gaining ground on professional aftermarket sales. DIY shipments will hit 44% in 1995, up from 35% in 1980. Although the boost increase is significant, it falls short of the 40% increase the shipments have historically recorded.

Automotive chemical sales in the aftermarket grew from $750 million ($11 per car) in 1963 to $2.9 billion ($24 per car) in 1979.

Figures Analyzed

Predicasts forecasts that the annual rate will taper off in the 1980's to 8%—at $6.6 billion($43 per car). The increased average age of cars, upgraded products and continued DIY growth will all favorably affect the chemical aftermarket.

By 1990, Predicasts reports, sales of oil, grease and fluid will reach $1.8 billion. Antifreeze will experience more moderate sales increases—8% annually through 1990.

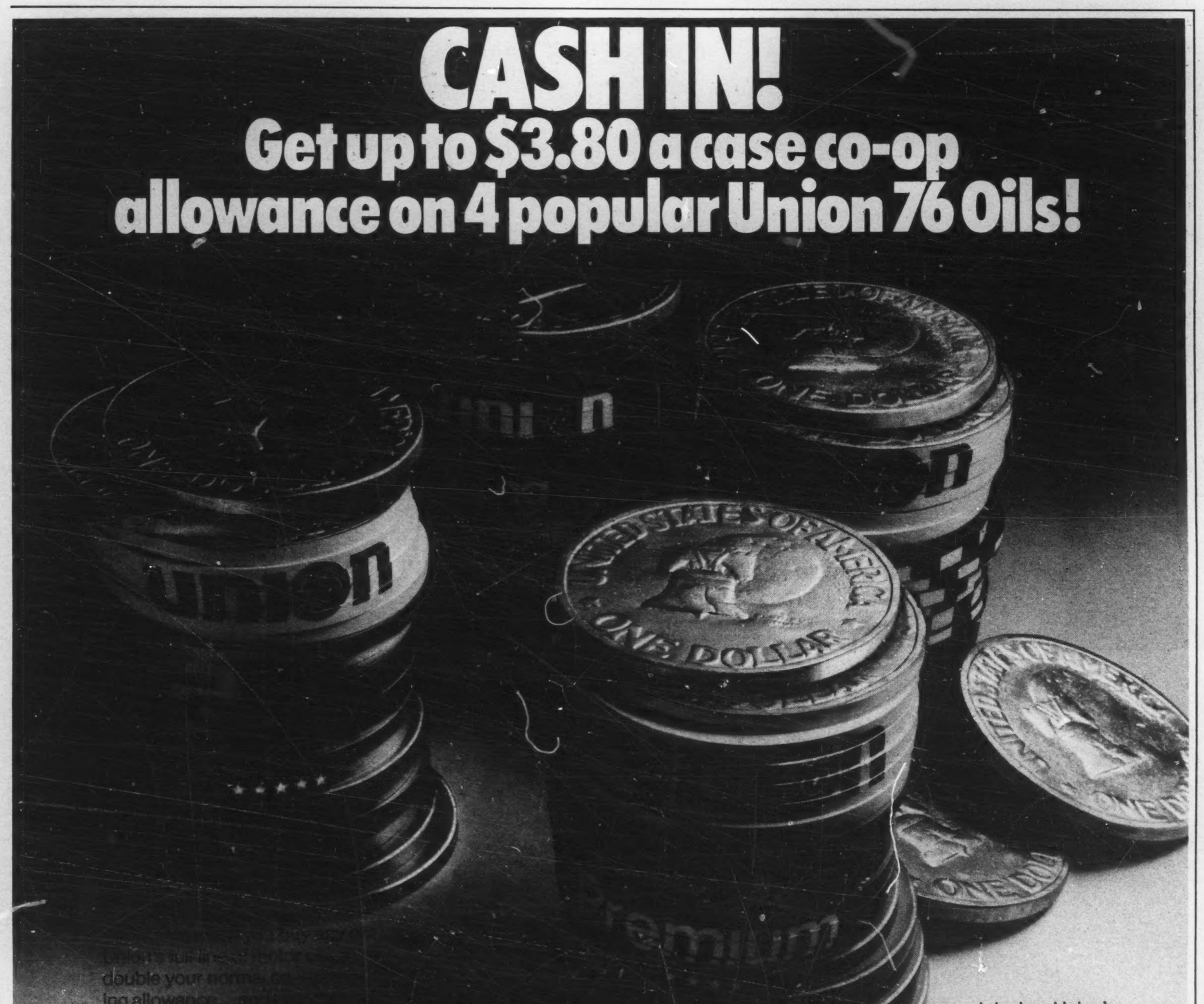
The grouping expected to show the largest increase—auto paints, coatings, sealants and adhesives—will increase from $563 million in 1979 to $1.4 billion in 1990. Other auto appearance chemicals, including waxes and car washes, are projected to reach $350 million by 1990.

The DIY segment of automotive chemicals will continue to grow in the 1980's. Dominant DIY products will include motor oil and antifreeze.

The increased activity in the DIY market, according to Predicasts, will lead to continued changes in the retail sector. Drug stores, supermarkets and hardware outlets are selling motor oil and waxes—getting turns of nine to 11 per year and margins of 15% to 20%. These outlets are expected to skim key item sales from discounters.

Discounters are the most diversified of all volume aftermarket retailers in terms of auto mix.

CASH IN!
Get up to $3.80 a case co-op allowance on 4 popular Union 76 Oils!



double your normal co-
ing allowance ... or
we'll raise it even

Double allowa
$3.00 off on every
Purple, and $1.00 a
Union's line.

But that's just the begin

If you include Union 76 in your
advertising (in addition to print), we'll increase
your allowance on each case by 40¢.

And if you buy a product you haven't purchased in the past year, we'll increase your allowance another 40¢ on each case of *that* particular product.

Union ATF Special Offer Continues.
In addition, you can still take advantage of a good deal on Union's two ATF products in plastic quarts. You get one case free with every 12, on carload purchases of Union's motor oils. But hurry! All offers end December 31, 1982.

Contact the Aftermarket Specialist nearest you.

Gene Mahon, Phoenix, AZ, (602) 254-7381
Jack Steinberg, San Francisco, CA, (415) 235-7600
W.M. Tastula, Seattle, WA, (206) 223-7613
D.A. Campbell, Los Angeles, CA, (213) 860-6531
D.L. Parnell, Portland, OR, (503) 223-1517

union 76

AUTOMOTIVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	0245 DuPont Rain Dance PST 14 oz	88,850	6.99	621,061.50
2	10080 Armor All protector 8 oz	194,328	2.99	581,040.72
3	2-ton Hydraulic floor jack	7,623	69.99	533,533.77
4	7450 Gumout jet spray 13 oz	221,624	2.39	529,681.36
5	1015-24 STP oil treatment 15 oz	215,207	2.29	492,824.03
6	FL1A Motorcraft oil filter	113,877	3.99	454,369.23
7	0241 DuPont Rain Dance liq 16 oz	61,940	6.99	432,960.60
8	10160 Armor All protector 16 oz	66,149	6.29	416,077.21
9	T16 Turtle minute wax 18 oz	65,983	5.99	395,238.17
10	3431 Snowhite Lite 'n' Easy gal	27,163	13.99	380,010.37
11	7518 Gumout carb clean 12 oz	196,818	1.89	371,986.02
12	6014 Sealed beam, large round	94,730	3.29	205,564.10
13	T-222 Sup HD shell pst-kit	69,815	3.99	278,561.85
14	100 QR Rislone oil allo	93,779	2.79	185,682.42
15	PF-25 A.C. oil filter	64,377	3.99	256,064.23
16	RR16 Roberk wiper bld refill	115,538	2.19	253,028.22
17	S257 Fix a Flat Tire infl 16 oz	180,430	1.39	250,797.70
18	M8-14 Freon 14 oz	135,483	1.79	242,514.57
19	AS981 Simoniz super poly pst	28,073	8.49	328,339.77
20	WD-40 Aerosol 9 oz	91, 388	2.59	236,694.92
21	EB-1 Gunk aerosol	114,203	1.99	227,263.97
22	13040 Armor All protector 4 oz	131,494	1.69	222,224.86
23	AS982 Simoniz super poly, liq	26,011	8.49	220,833.39
24	6052 Sealed beam, large square	26,785	7.99	144,371.15
25	C-16 Bars leak 12 oz	107,307	1.99	213,540.93
26	500 Westley's bleach white 20 oz	105,713	1.99	210,368.87
27	4111-12CD-2 Black lo 15 oz	87,311	2.39	208,673.29
28	058ON DUP Rally poly liq 16 oz	27,620	7.49	206,873.80
29	DuPont Rally poly pst 14 oz	27,490	7.49	205,900.10
30	T-75 Turtle zip liq c/wash 18 oz	85,346	2.39	203,976.94
31	TP51 TMP sandable prim gray	100,851	1.99	200,693.49
32	T270 Turtle color back 16 oz	38,428	4.99	191,755.72
33	0271N Rain Dance Weather Guard 16 oz	16,391	11.49	188,332.59
34	Warco dot brake fluid qt	47,677	3.89	185,463.53
35	LF-1 Lee oil filter	52,828	3.39	179,086.92
36	Warco dot break fluid 12 oz	118,971	1.49	177,266.79
37	4101-12CD-2 Red hi 15 oz	73,001	2.39	174,472.39
38	1157 Auto bulbs 2 on a card	175,797	0.99	174,039.03
39	R-6 Bars leak 5½ oz	115,970	1.49	172,795.30
40	RR18 Roberk wiper bld rfll	78,695	2.19	172,342.05
41	10320 Armor All protector 32 oz	19,043	8.99	171,196.57
42	4652 Sealed beam, low square	34,178	4.99	170,548.22
43	43750 Trailer harness kit	21,278	7.99	170,011.22
44	02662 Johnson's wx kt 12 oz	42,185	3.99	168,318.15
45	4657 Gas can flex spout 5 gal	12,571	12.99	163,297.29
46	0861N DuPont rub cmpnd 12 oz	74,352	2.19	162,830.88
47	4624 Gas can flex spout 2 gal	26,918	5.99	161,238.82
48	PSF Yale pwr strg fld 14 oz	89,040	1.79	159,381.60
49	AS400 Prestone brake fluid	79,900	1.99	159,001.00
50	T-127 Turtle wax liq 12 oz	52,916	2.99	158,218.84
51	R45TS A.C. spark plug	93,367	1.69	157,790.23
52	L-141C Complete lighter	31,558	4.99	157,474.42
53	TP52 TMP sndbl prmr red	78,646	1.99	156,505.54
54	04010 Univ. hand chk conv kt	29,197	5.29	154,452.13
55	88500M A.C. recharge kit/freon	22,103	6.89	152,289.67
56	2050 STP gas treatment 8 oz	117,034	1.29	150,973.86
57	3305 Snowlite Lite 'n' Easy kit qt	29,594	4.99	147,674.06
58	29438 8RBL15Y 4 Ch spk plug	11,725	12.59	147,617.75
59	171 P12 Casite tune-up 15 oz	47,696	2.99	142,611.04
60	30160 Armor All cleaner 16 oz	63,691	2.19	139,483.29
61	DR1976 GM 6 cylinder dist cap	25,399	5.49	139,440.51
62	902 Simoniz presoft 9 oz	39,622	3.49	138,280.78
63	AS107 Prestone spr flsh pk of 12	41,364	3.29	136,087.56
64	162 P12 Casite Mtr honey 14 oz	44,931	2.99	134,343.69
65	161 1-piece Auto pram pair	6,091	21.99	133,941.09
66	GEC421 GE silicone sealer, clr	40,153	3.29	132,103.37
67	LF-25 Lee oil filter	35,514	3.69	131,046.66
68	TAM77 TMP rubberized undercoat	43,248	2.99	129,311.52
69	0761 DuPont wht pol comp 12 oz	58,647	2.19	128,436.93
70	S615 Snap aerosol undercoat 16 oz	64,065	1.99	127,489.35
71	RWB16 Roberk wiper blades 16 in	57,165	2.19	125,191.35
72	101-2 Delco 8-cylinder tuneup kt	14,769	7.99	118,004.31
73	0513 Rally cream wax 10 oz	29,403	3.99	117,317.97
74	PH8A Fram oil filter	25,969	4.49	116,600.81
75	54W03 GE glass sealer	34,763	3,29	114,370.27
76	1614 DuPont car wash 8 oz	45,772	2.49	113,972.28
77	29754 8/RN12Y Chm spark plug	8,857	12.79	113,281.03
78	TP50 TMP sandable prmr blck	56,774	1.99	112,980.26
79	T560TUR Ply/Shl 1-stp liq 16 oz	11,305	9.99	112,936.95

(Continued on page 42)

Top Movers Are Waxes, Chemicals

The results of the last few months showed waxes and chemicals continuing as the strongest performers on the Product Movement Audit.

The PMA, supplied by Allied Accessories and Auto Parts Co., Michigan Heights, Mich., indicated more people were trying to save money during the quarter ended Sept. 30, 1982, by doing simple maintenance chores and repair work themselves.

Oil filters and gas additives once again were near the top of the chart, as more people took care of routine auto maintenance duties. With weather forecasters predicting a severe winter, more motorists are beginning to prepare their cars for the coming cold months.

Adding It Up

While looking ahead, during the months of July, August and September people also spent money beautifying the exterior of their cars. Waxes were three of the top 10 dollar producer, with DuPont Rain Dance Paste topping the list as the No. 1 mover; 88,850 units were sold at an average retail of $6.99.

Armor All Protector appeared twice in the top 10, in its 8-oz. and 16-oz. sizes. The 8 oz. was No. 2 and the 16 oz. No. 8 on the list—giving appearance accessories half of the top 10 items.

In oil filters Motorcraft topped the list, followed by regulars A.C., Lee and Lee Maxi. A two-ton hydraulic floor jack took its customary place near the top of the chart, in the No. 3 spot. The jack was a product that benefited directly from consumer demand for DIY

(Continued on page 42)

All Charged Up

Charge! That's the message sent by Heck's, Charleston, W. Va., as it offers customers battery chargers. The chain displays boxes on top of the gondola run and cards related items on a pegboard. *(DSN photo)*

When you're not stocking Bondo,® you're out of the fast moving, highly profitable auto body repair market. Nobody covers you like Bondo, because nobody else provides a complete line of products, merchandising, packaging and promotion. Bondo has over 100 products for auto, boat and truck repair and maintenance. An attractive co-op plan, easy-to-use advertising aids kit, and point-of-purchase materials are available for instant sales success. Put the brand that the pros and DIYers have made No. 1 in sales to work for you...now! Call toll free 1-800/241-3386, or write.

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AUTOMOTIVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 40)			
80	R45TS-8B A.C. Spark plug B/P	8,919	12.59	112,290.21
81	29353 8/rbl 15Y Ch Spark plug	8,885	12.59	111,862.15
82	01-015 D&L hand cleaner 14 oz	86,428	1.29	111,492.12
83	BC812 b Cable slvd 12 ft	15,202	7.29	110,822.58
84	Plastic bttl gsln antfrz	187,001	0.59	110,330.59
85	TK175 GM8 cyclinder tune-up kit	24,543	4.49	110,198.07
86	BP28 Blue ply slnt liq 8 oz	16,630	6.59	109,591.70
87	2024 STP gas treatment 12 oz	54,538	1.99	108,530.62
88	TK237 GM combo tune-up kit	18,030	5.99	107,999.70
89	101-1 GM Uniset	10,644	9.99	106,333.56
90	012 Marvel mystery oil 16 oz	48,224	2.19	105,610.56
91	555 West bleach white liq 32 oz	34,764	2.99	103,944.36
92	21030 H.D. Toggle switch	37,141	2.79	103,623.39
93	8P38 Blue poly pst slnt 8 oz	15,661	6.59	103,205.99
94	LF-16 Lee oil filter	29,977	3.39	101,622.03
95	T-4163 Thrush muffler	5,585	17.99	100,474.15
96	LF-1HP Lee maxi oil filter	22,782	4.29	97,734.78
97	PF-47 A.C. oil filters	24,457	3.99	97,583.43
98	WWC82 Espree wr whl kit	19,379	4.99	96,701.21
99	4000 Sealed beam, low round	34,439	2.79	96,084.81
100	V-225 Chamois 2¼ sq ft	15,927	5.99	95,402.73

Source: Allied Accessories and Auto Parts Co., Madison Heights, Mich., for July 30-Sept. 30, 1982.

Lucky's Biz Up, Earnings Down

DUBLIN, Calif.—Lucky Stores reported a sales gain of 14% for the second quarter ended Aug. 1, 1982.

Earnings for the period slipped 19%.

Sales reached $1.9 billion compared to $1.7 billion for the second quarter last year. Earnings for the quarter were $14.8 million vs. $18.4 million.

First-half sales of $3.7 billion reflected a jump of 11% over the 1981 figures. Earnings for the half fell 19% to $3.7 million.

Lucky chairman S. Donley Ritchie cited strong sales at food and department stores

A six-sku selection of head protection is endcapped at Wal-Mart, Rogers, Ark. The five-shelf display is located just off one of the store's "power alleys." *(DSN photo)*

Top Movers

(Continued from page 40)

products—with a heavy promotional effort from discount chains boosting sales.

As the average age of automobiles increases, replacement parts are appearing more frequently in the top 25. Sealed beams, both round and square, gained ground—priced, respectively, at $2.72 and $5.39, and ranking 12th and 24th. A wiper blade refill placed 16th, with total unit movement at 115,538. A tire inflator placed 17th, priced at $1.39.

Seasonal items which are proving very popular with motorists are such goods as sandable primers and rubberized undercoatings. Discounters report that body repair merchandise is getting more shelf space as customers spruce up their cars themselves, rather than taking them to shops.

Tune-up equipment showed up in the top 100 with consistent performers Delco eight-cylinder tune-up kit and GM's eight-cylinder tune-up kit and combo kit.

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VISE-GRIP® 6LN* Introduced July, 1980

Long nose jaws built to reach into tight spots for delicate work or heavier work. Plus built-in wire cutter.

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Easy release trigger and micro-adjustment screw with adjusting pliers action for proper locking pressure.

(Shown Actual Size)

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Longer and even stronger jaws with more muscle for heavy-duty jobs. Plus built-in wire cutter.

Same VISE-GRIP® quality materials.

Even more power for those heavy-duty jobs.

(Shown Actual Size)

Same easy release trigger and micro-adjustment screw.

They do more jobs, faster and easier, than any other long nose pliers.

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*U.S. patent D261,096
Other U.S. and foreign patents issued and pending

FTC Cancels Ad Probe

WASHINGTON—The Federal Trade Commission has closed the books on an investigation of alleged deceptive ads for K mart's line of "maintenance free" automobile batteries.

Similar FTC investigations involving car battery ad claims by Sears, Penney and General Motors were also terminated by the agency's Bureau of Consumer Protection.

The Reason Why

Although Commission officials refused to discuss the specific claims under scrutiny, FTC enforcers confirmed that the probe involved suspected failures by all four firms "to have adequate substantiation for express or implied claims in advertising for maintenance-free batteries."

The investigation was conducted directly by FTC's Washington office.

Prange Way

(Continued from page 34)

To beautify the car, Prange Way sold Turtle Minute Wax for $3.99, regularly $5.29; auto spray paint for $1.99 ($2.99), and a $17.99 Black & Decker auto vacuum for $2 off regular price.

Other car dress-up accessories included seat covers—with plaid models selling for $12.99 ($15.99) and 20%-off simulated sheepskin covers for $7.99. The price of Rubber Queen's floor mats was reduced by $5, to $11.99.

Prange Way also cut the price on safety items with $5 off a $19.99 pocket air compressor, $10 off a $26.99 fog light kit and $3 off a $12.99 windshield-wiper delay kit, with blades and refills also on sale.

Stressing the DIY assembly and installation ease, a Genie automatic garage door opener system was promoted at $169.99 ($189.99). The digital control transmitter sold for $24.99.

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PHOTO OUTLOOK: P. 2

Catalog Showroom News: P. 26

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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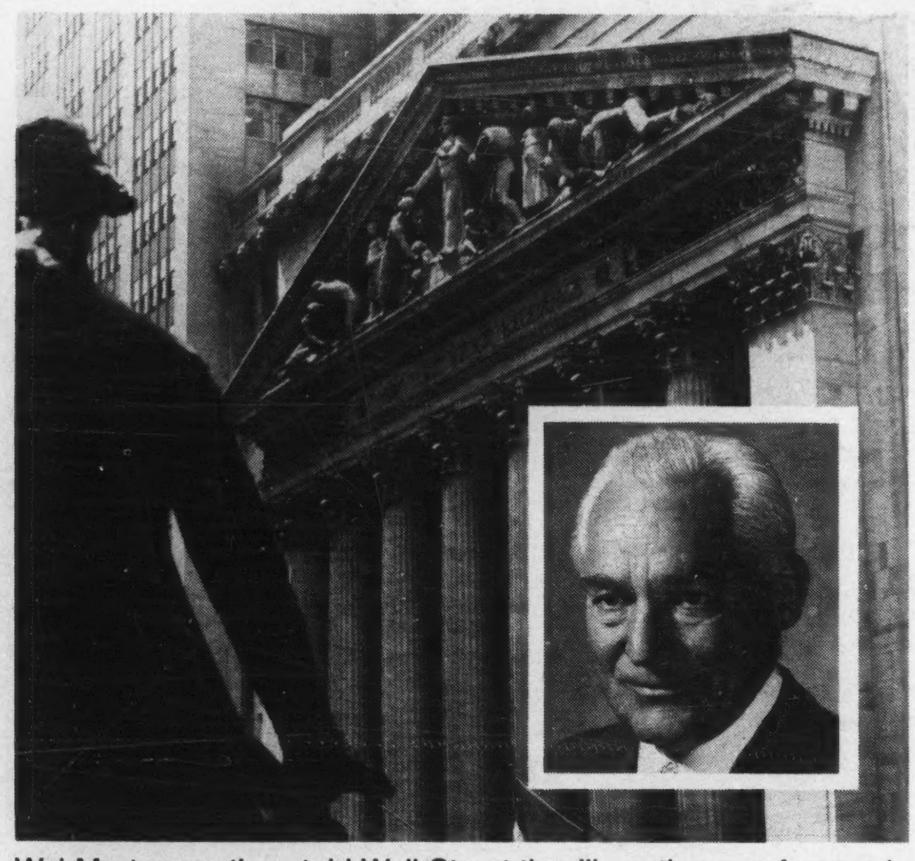

Wal-Mart executives told Wall Street they'll continue on fast track. Said chief Sam Walton, "We think in the next five years, we can grow conservatively and profitably at a rate of 25% to $10 billion."

Wal-Mart Projects $10B Biz by 1987

NEW YORK—Wal-Mart is more ambitious than ever.

Sam Walton, chairman and ceo, predicted that his chain would double its 549-unit base and almost triple 1982's expected $3.5 billion volume by 1987.

In a meeting here last month with the New York Society of Security Analysts, Wal-Mart executives revealed a game plan that includes diversification of operations.

On tap, Walton said, is the creation of a few units in the mode of no-frill warehouse operations such as the Price Club. The units will sell to individuals as well as wholesale goods to small retailers.

"We're going to build a wholesale store in a couple of markets," said Walton. "It's something we'd like to play

(Continued on page 38)

Discounters Swell Earnings With Aid of Expense Cuts

NEW YORK—Discounters valiantly—and successfully—battled the 1981-82 recession by cutting expenses 5.3% to help produce a 30.5% stronger bottom line.

This effort showed up as a sharp drop in total expenses, triggered by lower expenditures for such factors as payroll, store operating costs and buying and merchandising expenses. The result was that gross margins, gross income and pretax and net earnings after taxes were up.

That is the picture of the discount store industry developed in the National Mass Retailing Institute's study, *Operating Results of Self-Service Discount Department Stores, 1981-82.* The survey was conducted by Cornell University for the NMRI and tabulated results from 30 chains, operating 3,250 stores with $13 billion in sales.

The industry's strong financial performance came as the recession hit hard and triggered an 11.1% drop in average sales per store to $4,035,000 from $4,538,000.

Despite the decline of more than $500,000 in volume per store, discounters were able to fine-tune their merchandising and actually increased average sales per square foot of selling space to $108 from $104.84, a 3% gain.

The drop in average store sales wasn't the only negative development in the generally bright discount picture: Stock turns were off 1.9% to 3.14 from 3.20; cumulative markup slid 3.7% to 35.20% from 36.55%; total sales to net worth declined 11.7% to 8.39% from 9.5%; stock shortages (at retail value) jumped 8.5% to 1.53% from 1.41%; occupancy costs per square foot of selling space increased 10.3% to $6 from $5.80; field supervision costs showed a 16.2% boost to 0.43% from 0.37%, and warehouse expenses went up 5.5% to 0.96% from 0.91%.

Some of these negative statistics, however, were directly involved with discounters' improved performance during last year's recession.

Stock turns, for example, fell as discounters cut back on their total inventory investment to hold down costs, while field supervision expenses went up as chains stepped up efforts to make field operations more pro-

(Continued on page 37)

Aftertax Profits Skyrocket 30.5%

	Per Cent of Sales 1980-81	1981-82
Gross Margin	28.36	28.48
Leased Dept. Income	0.56	0.49
Gross Income	28.91	28.97
Total Expense	26.03	24.66
Net Operating Profit	2.88	4.31
Other Income (Deductions)	(0.43)	(0.94)
Earnings Before Income Taxes	2.45	3.36
Federal & State Income Taxes	1.04	1.52
Net Earnings After Taxes	1.41	1.84

(Source: NMRI's Operating Results)

Sales and earnings as a per cent of sales are detailed for 30 discounters in the annual NMRI study.

Grand Central, on Slow Track, Denies Rumors of a Takeover

SALT LAKE CITY—Once again, Grand Central is denying reports that it is about to be taken over.

An almost six-point jump in the price of its American Exchange-listed stock in recent weeks forced company officials to issue a statement that they aren't negotiating to sell the 32-unit chain.

The "no-news" statement came as the company began to reshuffle its executive suite following the departure of Gerald Hansen on Sept. 30 after only six months as executive vp and chief operating officer. No successor has been named.

In addition, the eight-member board of directors vetoed a store-opening plan outlined by Hansen in a *DSN* interview last April. The most recent store opening was in April 1981. Now, no new units are planned until at least fiscal 1984.

At presstime, company executives were expecting first-quarter fiscal '83 results "to be weak." The company closed its last fiscal year Aug. 1 with a $3 million loss.

(Continued on page 38)

Part of Off-price Apparel Trend

Chains Wet Toes in Branded Shoes

By KAREN PAXTON

K mart, Ann & Hope and Gold Circle have extended the race for recognition as a source of off-price branded goods into footwear.

Gold Circle is among chains testing shoes by Capezio, Bass, 9 West, Cobbies, Candies and Red Cross as part of an off-price branded push. Bass gets the spotlight in Cleveland Heights, Ohio.

But it is still unclear whether they have entered a 50-yard test of speed or a more challenging marathon run which would include more discount contestants. At present major chains including Caldor, Zodys and Bradlees are steering clear of fashion names.

Capezio shoes are being tested in K mart's Wayne, N.J., store where discounted apparel labels are featured. Bass, Red Cross, Capezio and other national brands are on the racks at Ann & Hope stores.

Related Move

Gold Circle, which has also added brands in apparel this year, will test nationally known fashion shoes in its stores next spring.

If it proves profitable for those chains—which are buying the branded shoes from diverters—other discounters could soon be in the market.

Encouraged by strong sales [illegible] AIM for the best Stores [illegible], T.G. & Y. merchandising vp A. W. Colli[illegible] is eager

(Continued on page 38)

Digest Nov. 15, 1982

H&BA

• **Some discount chains are adding cereals, other food and** juices to the baby-care mix in H&BA departments to boost margins. (p. 15)

HOUSEWARES

• **In its new prototype, Prange Way takes a bold step and moves** housewares to the front of the store. (p. 19)

HARDWARE

• **Chains' Christmas ordering for power and hand tools was** stimulated by manufacturers' promotions and rebates, according to the September Product Movement Audit. (p. 21)

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Best mass-displays domestics for easier customer selection. Setup along wall in Plantation, Fla., showroom, follows one of two basic planograms used for the department. *(DSN photo)*

Best Aims at $160M-$180M From Branded Domestics Push

By ARTHUR MARKOWITZ

RICHMOND—Best Products has unfolded a major effort in branded domestics—a category that could generate $160 million to $180 million in sales for the cataloger.

The chain's program involves catalog items, shown on two pages in its 1982-83 book, and not-in-catalog merchandise, along with three different planograms to fit the display and merchandising needs of its 116 showrooms.

Best has already included domestics in a two-page spread in its 36-page October flyer and plans to distribute a pre-Christmas white sale promo flyer and hold post-holiday promotions.

(Modern Merchandising, which was recently acquired by Best, is merchandising a far more limited mix in its catalog of just 14 sheet patterns from Wamsutta, available only as sets. The assortment includes six comforters along with a pillow sham and two dust ruffles in the Central Park style.)

Best is shooting to capture 2% of the domestics market, which would amount to $160 million to $180 million in volume, by gearing its merchandising to compete with conventional department stores, rather than Sears, Penney and Montgomery Ward, whose private label efforts account for 31% of the market, according to a Best source.

The cataloger features Wamsutta and J. P. Stevens sheet sets, Cannon and J. P. Stevens towels, Cannon and Lady Pep-

(Continued on page 35)

Woolworth Regroups; Dismissals Snowball

NEW YORK—The F. W. Woolworth Co., two months away from shutting the doors of Woolco, has headed down the road to regrouping.

At presstime, several hundred employees—including top Woolco merchandising personnel, the buying staff (which had been created only weeks before the shuttering announcement from the single staff that serviced both Woolworth and the discount operation) and support personnel in buying and advertising—had been let go and reorganization was under way at the regional management level.

Key Woolco merchandise personnel leaving the chain included Robert Butler, divisional vp, merchandising, who resigned and Sylvester A. Tuohy, divisional vp, merchandising, taking early retirement. Frank W. Chapman, divisional vp, merchandising, has been named divisional merchandise manager for the Woolworth stores.

Personnel Change

Jack McNutt, former No. 2 executive on the Woolco side of the business, has been named senior vp of stores for Woolworth, sharing equal footing with Ed Carter, who had been his counterpart at Woolworth. Carter's title is now senior vp of operations.

Named senior vp and gmm were two newcomers to Woolworth, Frank Newman, formerly vp and gmm of hard lines at Zodys, and Herb Kaltbaum, a soft lines merchandiser.

Bob Runyon, senior vp for human resources, said 100 buyers had been affected. In addition, 60-70 support personnel in buying and advertising offices and about 100 MIS people in data processing centers in New York, Columbus, Ohio and Milwaukee have already been terminated. This month, another 350 support people in three distribution centers will be let go.

At the regional level, the reorganization left six regional vice presidents. With the decision to cast Woolworth and Woolco into separate operating divisions, Woolworth management had created 10 regional vp posts—four supervising Woolco field operations, and six for the Woolworth variety stores.

Woolworth has retained a New York outplacement firm, Drake Beam and Morin, to assist terminated personnel, which the company said it expects to eventually number more than 25,000. One inside source, however, said the total number of firings would more likely reach 40,000.

According to Runyon, 10 to

(Continued on page 38)

Edward F. Gibbons

Gibbons Is Dead at 63

NEW YORK—Edward F. Gibbons, 63, chairman and ceo of the F. W. Woolworth Co. died last month after a brief illness. *(See editorial, p. 6.)*

Gibbons became ill late in September, shortly after he guided the company through one of its toughest management decisions: to close its 20-year-old, 326-unit Woolco discount division.

Gibbons came to Woolworth in 1973 as vice president of finance. He was made executive vp, finance and corporate planning, and elected to the board of directors in 1974. A year later he was elevated to the company presidency. That same year he briefly resigned because of illness.

Gibbons rejoined the company in late 1975 as president and director, then was elevated to chief executive officer in 1977, adding the title of chairman in 1978.

Bait/Switch Scheme by Lessee Charged

Zodys 'Unaware' of Illegal Sales Ploy

LOS ANGELES—Zodys denied knowledge of a purported bait-and-switch scheme which, it was charged, was allegedly run by the chain's leased major appliance department.

The allegation was made by the Los Angeles County District Attorney's office following a three-month investigation at the chain's 42 California stores.

Zodys is "totally unaware" of any such illegal sales tactics being investigated by law enforcement officials, said Edward Solomon, chief executive for Zodys' parent HRT Industries.

The probe centers on the leased department operated by Virginia-based Wards Co., not connected with Montgomery Ward.

Solomon said Zodys has been assured by Wards' chairman Alan Wurtzel that Wards is "cooperating fully with the district attorney's office." Both Wards and Zodys are conducting separate internal investigations, Solomon added.

The investigation became public after district attorney investigators obtained search warrants at Zodys stores in Redondo Beach and Inglewood, Calif.

Deputy District Attorney John Lynch told *DSN* that possible criminal or civil court actions were pending.

The case is based on undercover agents shopping 100 times for home appliances at Zodys stores, and purportedly being confronted with bait-and-switch practices 74 times, Lynch said. The intent was to switch customers to higher profit-margin merchandise, Lynch asserted.

Shrinkage: Discounters Push Prevention Harder, Prosecution Less

NEW YORK—Discount stores are putting more of their antishrinkage efforts—and dollars—into prevention and less into prosecution.

Last year, discount stores spent $222 million on security, exclusive of the cost of prosecution. This figure was a $40 million (22%) jump from the $182 million expenditure in 1980. Security costs, as a percentage of sales, went to 0.44% from 0.39%, a 12.8% increase.

While security costs went up, a different trend was evident in prosecution. Last year discounters carried out only 128,000 prosecutions, down 11.4% from the 140,000 in 1980.

This drop came about despite a 6.7% jump in apprehensions to 270,000 from 253,000. The lower number of prosecutions resulted in a 14.3% decline in the prosecution-to-apprehensions ratic—to 47.4% from 55.3%.

This occurred as the cost of prosecutions went up $2.9 million to $7.5 million from $4.6 million due to inflation and other cost factors.

Those were some of the findings reported in the fourth annual *Security and Shrinkage* study conducted by Arthur Young & Co. for the National Mass Retailing Institute.

Eighty-six discounters were among the 198 retailers that participated in the expanded 1981 study due to be released next month. Last year's study, which covered 1980, involved 79 discounters and 127 retailers overall.

Discounters' overall shrinkage loss amounted to $957 million, up $71 million or 8% from the $886 million shown in last year's report.

Shrinkage as a percentage of sales remained constant at 1.9% in both years due to the greater sales ($50.4 billion) and larger number of discounters participating in the latest survey.

The trend away from prosecution to prevention was due to two factors, discounters reported:

(Continued on page 35)

Shrinkage/Security Costs Compared

	Shrinkage Costs		Security Costs		Shrinkage Causes: Employee Theft		Shoplifting		Poor Paperwork	
	$ (millions)	%	$ (millions)	%	$ (millions)	%	$ (millions)	%	$ (millions)	%
Discount Stores	$957	1.9	$222	0.44	$507	53	$287	30	$345	17
Dept. Stores	628	2.3	147	0.54	283	45	195	31	150	24
Specialty Stores	140	2.0	37	0.53	73	52	35	25	32	23

(Source: *Security and Shrinkage*)

Shrinkage/security costs as a percentage of sales were lowest for discounters among 198 retailers surveyed. In total dollars, however, they were higher, due to the discounters' greater volume, $50.4 billion, vs. department stores' $27.3 billion and specialty stores' $7 billion.

HARDWARE

Mfrs.' Promos, Rebates Spur Chains' Orders

In preparation for the upcoming Christmas season, customers of Hardware Distributors, Secaucus, N.J., are depending on strong promotions and rebates from manufacturers in basic items in key categories.

According to Marvin Deneroff, president of Hardware Distributors, the Product Movement Audit for the month of September reflected chains' enthusiastic response to the aggressive manufacturer promotions being offered.

"People are starting to fill in their power and hand tool collections with basic fillers," he said.

The three leaders in the field—Black & Decker, Stanley and Fuller—ran tremendous promotion or coupon drives, contributing to their hot sales.

In the hand tool category, Deneroff said all items are being promoted by his vendors. Fuller Manufacturing is featuring a "One price your choice" campaign. Strong movement has been noted at the $8.99 and $9.99 price points.

Stanley is running a consumer rebate program, and to coincide with it, Deneroff's customers have built up and are planning to advertise Stanley's rebated goods. "As we move into Christmas promotion, quality tools are coming on strong—as they make excellent gift ideas," said Deneroff.

High Volume

He also pointed to Stanley's Mightyknife keychain—which placed 14th on the PMA with total dollar movement at $4,901 with an average retail of $2.19—as an item which is performing as an excellent register-tip seller in certain stores.

In power tools, Black & Decker's 7½-in. circular saw led the field, with total dollar movement at $92,854 at a $45.99 average retail price. Two Black & Decker jigsaws placed in the top 10, one priced at $21.99, and a two-speed model for $33.99.

Of the top 15 items in power tool accessories, 10 were priced under $10. A low-ticket item, Howard Hardware's ⅛-in. twist drill, placed first, with total dollar movement at $11,733 while retailing at $1.89. There was a strong stand made by items $10 and over with a 13-piece drill set by Howard for $13.99 placing second. A Rak Products strate-cut guide kit at $24.99 was No. 3.

The glue, lubricant and adhesive category has experienced expanded sku's and stepped-up promotions, which should continue for the balance of the year, according to Deneroff.

Super glues are highly promotable, with No. 1 Vail Chemical enjoying total dollar movement of $42,488 for September vs. $27,731 for the first six months of this year.

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Discount Store News

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	Black & Decker 7¼" circular saw	2,019	45.99	92,853.81
2	Black & Decker ⅜" drill vsr	1,991	33.99	67,674.09
3	Black & Decker jig saw	2,264	21.99	49,785.36
4	Black & Decker ⅜" drill	1,627	25.99	42,285.73
5	Black & Decker finishing sander	1,236	33.99	42,011.64
6	Black & Decker 2-speed jig saw	789	33.99	26,818.11
7	Black & Decker finishing sander D/A1/3	389	52.99	20,613.11
8	Black & Decker V/P 7¼" DLX cir	343	54.99	18,861.57
9	Black & Decker ½" drill D-handle	254	69.99	17,777.46
10	Black & Decker ¼" drill	618	19.99	12,353.82
11	Bench Mark 16 10" band saw	59	199.99	11,799.41
12	Black & Decker jig saw ⅓ HP V	203	43.99	8,929.97
13	Black & Decker 5" bench grinder	132	39.99	5,278.68
14	Stanley Mighty Knife key chain	2,238	2.19	4,901.22
15	Stanley mini-hacksaw	1,065	4.19	4,462.35
	POWER TOOL ACCESSORIES			
1	Howard Hardware twist drill ⅛	6,208	1.89	11,733.12
2	Howard Hardware twist drill set 13 pieces	756	13.99	10,576.44
3	Rak Products Strate-cut guide kit #35	392	24.99	9,796.08
4	Howard Hardware 13-piece twist drill	1,024	9.49	9,717.76
5	Black & Decker deluxe combo blade	1,552	5.99	9,296.48
6	Credo Manufacturing 7¼" carb circ	687	13.39	9,198.93
7	Howard Hardware 7¼" carb saw blade	648	13.49	8,741.52
8	Howard Hardware twist drill 7 piece	1,070	7.99	8,549.30
9	Great Neck 7" 1-hole saw	977	8.59	8,392.43
10	Black & Decker 3-N/blade set	670	11.99	8,033.30
11	Howard 7¼" 2 saw blades	850	7.79	6,621.50
12	Howard Hardware 7¼" combo saw blade	1,759	3.69	6,490.71
13	Black & Decker 7¼ deluxe plywood	594	9.99	5,934.06
14	Black & Decker ¾ H.P. router	37	57.99	5,045.13
15	Bench Mark ½" drill PR	54	89.99	4,859.46

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLUES, LUBRICANTS AND ADHESIVES			
1	Vail Chemical Super Glue 3 grams	35,704	1.19	42,487.76
2	Krazy Glue Krazy Glue 2 grams	24,600	1.59	39,114.00
3	Woodhill Super Glue 3 grams	9,097	1.49	13,554.53
4	General Electric silicone sealer clea	3,060	3.49	10,679.40
5	General Electric silicone sealer whit	2,561	3.49	8,937.89
6	Miracle 6-oz acrylic caulk	4,500	1.89	8,505.00
7	Weldit Weldit cement 1¼ oz	5,472	1.39	7,606.08
8	U.S.M. electric glue gun	631	11.99	7,565.69
9	Boyle mdwy 3-in-1 oil 3-oz can	5,016	1.49	7,473.84
10	Boyle mdwy ¼-lb can plastic wood	3,578	1.99	7,120.22
11	Rusco Co. Pliobond glue 3 oz	2,968	2.29	6,796.72
12	Darworth Polyseamseal 4 fl oz	2,604	2.19	5,702.76
13	Weldwood Contact cement qt	750	7.49	5,617.50
14	Black & Decker 7¼ plywood blade	1,276	4.29	5,474.04
15	3M Company Clean & Stripe brush	820	5.99	4,911.80
	HAND TOOLS			
1	Stanley claw hammer 16 oz	829	13.99	11,597.71
2	Fuller SAE comb wrench 6 piece	1,124	9.99	11,228.76
3	Stanley carpenter level 24"	762	11.49	8,755.38
4	Fuller adjustable angle wrench 10"	820	9.99	8,191.80
5	Fuller camper's ax #16	872	8.99	7,839.28
6	Fuller metric combo wrench set 6 piece	834	8.99	7,497.66
7	Stanley bow saw 21"	875	8.49	7,428.75
8	Stanley magnetic screwdriver set 6 piece	966	7.29	7,042.14
9	Fuller claw hammer 6 oz	757	8.49	6,426.93
10	Stanley 8-pt handsaw 26"	688	8.99	6,185.12
11	Stanley combo square 12"	748	7.99	5,976.52
12	Fuller heavy duty pipe wrench 10"	636	8.99	5,717.64
13	Stanley utility knife	1,326	4.19	5,555.94
14	Woodhill E-Pox-E glue 3 oz	2,474	2.19	5,418.06
15	Weldwood Contact Cement 3 oz	2,592	1.99	5,158.08

Source: Hardware Distributors, Secaucus, N.J. For Sept. 1-30, '82.

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EXXON

Disc Boosts Sales and Interest in Camera Department

(Continued from page 2)

discounters are shying away from, the list price is $142.95 and chains like Gold Circle carry it for $99.99.

Meanwhile, Ansco's HR 30 carries a list of less than $60 and its HR 50's suggested retail is under $80. Heck's priced the HR 30 at $49.90, on ad for $34.99.

Continental's models are the Disco-Flip, Disco-Matic and Disco-Flash. Zayre broke an ad in September for the flip model on sale at $19.88, down from $24.88, and the flash model at $29.88, down from $34.88.

The Disco-Matic lists at $59 and the Disco-Flash lists at $44.50.

As the disc category develops, strategy continues to change in the 124 and 110 pocket cameras.

"We've slacked off on pockets," reported Heck's Bill Eades. Trimming sku's left his chain with the Kodak AL-10 Ektralite at $37.99, on sale for $29.99; the Ansco 411 at $33.96, on sale for $24.99, and the Kodak AX-15 at $18.56, on sale for $15.99.

The older model Kodak AX-15, which is $14.10 at cost, will be eliminated from the mix next year, Eades said.

Most of the sku trimming in pockets has resulted from Kodak's dropping all of its models except two. At Jamesway, where Kodak was the only brand carried, the chain offers an Ektralite 10, down from four sku's.

"We're promoting the Ektralite 10 through Christmas and then we'll decide whether to keep it," said buyer Zurlo. "In all probability we will. There's still a market for it."

"Pocket sales haven't totally disintegrated," added Dankwardt. "Pockets at $20 to $30 are still viable." At Prange Way, the Ektralite 10, two Bell & Howells and one Keystone are stocked. But, all are promotional pieces only, Dankwardt emphasized.

Murphy's Mart trimmed its pocket sku's by four.

S. E. Nichols merchandise manager Bernie Solomon, meanwhile, has dropped Kodak from its pocket assortment. "We're not going after Kodak at all, because they show little faith in the pockets they have left."

Film, too, reflects the increase in disc popularity; cutbacks are evident in traditional pocket film.

At Jamesway, 126-format pocket film was cut by several pegs in the department and eliminated from checkouts in favor of the disc film. Some 110 film pegs were also turned over to the disc.

"You'll see a lot more cutting next year," predicted Zurlo, "but we'll be reserving judgment for a few months."

Ann & Hope, North Dartmouth, Mass., isn't shying away from the 35mm camera and accessory market. The chain recently advertised a selection of Minolta, Canon and Olympus cameras priced at $199.99, reg. $229.99. *(DSN photo)*

Control of Shrinkage Is Analyzed

(Continued from page 3)

One was the increase in the cost of prosecution. The other was the belief that the greater number of prosecutions carried out in the past got the message across to store workers and shoplifters that discounters will take strong action, and that prevention—reducing opportunities—is now the most-cost-effective shrinkage control effort.

The number of discounters that prosecuted all apprehended customers fell to 33% from 53%, a 37.7% drop, while the number following the same policy for employees plunged to 24% from 60%, a 60% drop.

Employee theft was cited by discounters as the major cause of shrinkage, accounting for 53% or $507 million, followed by shoplifting, 30% or $287 million, and poor paperwork controls, 17% or $163 million.

In the previous study, the corresponding figures were employee theft, 52% or $461 million; shoplifting, 30% or $266 million, and poor paperwork controls, 18% or $159 million.

The prevention methods included 35% of the discounters polygraphing employees and 48% offering monetary rewards for workers who provide information for apprehension of either an employee or shopper.

Security devices are the major shrinkage prophylactic, with heavy use of nine types reported by discounters in the 1981 survey, compared to only five in the previous study.

Copies of *Security and Shrinkage* are available from the NMRI, 570 Seventh Ave., New York, N.Y. 10018.

Big Best Domestics Effort

(Continued from page 3)

perell blankets, Aladdin bath rugs and covers and Bates and Countess York bedspreads.

The NIC effort, being tested in Florida and California showrooms, features shower curtains by Jolo that coordinate with the towels and bath rugs.

Showrooms that are experimenting with the NIC merchandise use a planogram that has a bath shop display composed of the shower curtains and curtain hooks, along with wicker hampers, toilet seats and scales found in the catalog.

This display is spotted adjacent to one of the two planogram displays for showrooms that merchandise just catalog goods; one setup spots the merchandise along a front-of-store wall, while the other format shows the goods on two sides of a gondola.

A Closer Look

The basic presentation is to mass-display all the domestics. The test showrooms also mass-display shower curtains and curtain hooks and show only samples of the wickers, hampers, scales and toilet seats, found in the catalog, which are ordered via the order desk and obtained at the pickup station.

Best (and Modern Merchandising) feature basic, solid colors for the three different-size towels, blankets, bath rugs and covers. The sheet-set and comforter merchandising has one line each from J. P. Stevens and Wamsutta in solid colors along with three different designs from the latter vendor.

The bedspread offering has solid colors from Countess York and the George Washington's Choice design from Bates.

A Best executive said: "Statistics show that the tonnage business in domestics is in basic colors. Sheet patterns are still a small percentage of the business. What sell day-in and day-out are solid colors."

The cataloger is considering carrying some fashion items in flyers, the executive added. Best's October flyer featured the basic domestics found in the catalog, except for one NIC sheet set, J. P. Stevens' Precious Floral pattern.

Mass-displaying of domestics has resulted in Best using special tickets for this merchandise, rather than the fact tags attached to catalog items such as hampers and scales.

The special tickets contain the item's sku number and Best's retail price, with the sku information captured at the point-of-purchase so that headquarters merchandisers can track sales and reorder goods for each showroom.

The tags are attached by strings to such items as towels and bath rugs or pasted on such packaged goods as sheet sets and shower curtains.

Best hasn't included order numbers for the domestics in its catalog so that shoppers have to go to the mass display to obtain merchandise.

Backup stock for the mass-displayed goods is carried in each showroom's warehouse. Domestics is restocked daily as part of the filling in of all self-service departments including toys, sporting goods, hardware and auto.

(Modern Merchandising displays domestics as part of its regular sample-only presentation. Its catalog, therefore, has sku numbers for the merchandise.)

Best plans to turn a major portion of the Christmas toy display area into a white sale promotion during the Dec. 24-27 period as part of a post-Christmas domestics promotion.

The front-of-showroom space being used for domestics had previously displayed fireplace merchandise, which is only a seasonal seller and has been moved into this area.

Sources said that domestics was added to the mix to boost showroom sales on a year-round basis and to generate traffic and volume in January, typically a very slow period.

Correction

In an article in the Oct. 18 *DSN*, the May Department Stores president was incorrectly identified as David C. Farnell. His name is David C. Farrell.

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Discount Store News
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Earnings Fattened

(Continued from page 1)

ductive. Warehouse costs were up due to greater purchases of selected goods in large quantities early in the season to obtain maximum discounts.

The tight rein on expenses resulted in them dropping 5.3% to 24.7% from 26%. Among the key savings were buying and merchandising costs, plunging 14.9% to 0.57% from 0.67%; administrative and general expenses sliding 21.8% to 0.93% from 1.19%, and total payroll dropping 4.8% to 12.08% from 12.69%.

Better purchases of merchandise enabled discounters to boost gross margins from 28.4% to 28.5%, a 4.2% gain, and increase gross income 2.1% from 28.91% to 28.97%. The drop in expenses resulted in net operating profits exploding 49.7% from 2.9% to 4.3% and pretax earnings rising 37.1% from 2.5% to 3.4%. Despite higher taxes, the bottom line—net income after taxes—went up 30.5% from 1.4% to 1.8%.

The results for the 30 chains reported in the study were mirrored by the statistics for the identical 25 discounters that participated in both the 1981-82 and the previous 1980-81 surveys.

The full report is available from the NMRI, 570 7th Ave., New York, N.Y. 10018.

Discounters' Performance

	1980-81	1981-82
Average sales/ store (thousands)	$4,538	$4,035
Average sales/ sq. ft. selling area	$104.84	$108.00
Occupancy cost/ sq. ft. selling area	$5.80	$6.00
Store operations cost[a]	11.43%	11.13%
Leased sales[a]	3.78	3.37
Occupancy cost[a]	5.96	5.73
Field supervision cost[a]	0.37	0.43
Warehouse cost[a]	0.91	0.96
Transportation cost[a]	0.53	0.46
Advertising and promotion cost[a]	2.62	2.49
Accounting cost[a]	0.38	0.31
Data processing cost[a]	0.42	0.36
Employee benefits cost[a]	1.91	1.70
Buying and merchandising cost[a]	0.67	0.57
Administrative & general cost[a]	1.19	0.93
Cumulative markup (owned depts.)[b]	36.55	35.20
Stockturns (owned depts.)[c]	3.20	3.14
Stock shortage (retail value)	1.41	1.53
Total sales to total assets	3.08	3.10
Total sales to net worth	9.50	8.39
Net worth (% of total assets)	32.40	36.99
Current assets to current liabilities	1.69	2.13
Net earnings[d] as % of net worth	13.14	15.46
Net earnings[d] as % of total assets	4.26	5.72

[a]as % of total sales. [b]as % of original retail. [c]based on monthly inventories. [d]after taxes.
(Source: NMRI's Operating Results)

A breakout of 24 financial elements details discounters' efforts that helped produce the industry's stronger 1981-82 performance.

Expense Factors

	Per Cent of Sales 1980-81	1981-82
Total Payroll	12.69	12.08
Supplies	0.77	0.72
Communications	0.33	0.25
Travel	0.25	0.21
Services Purchased	0.76	0.55
Advertising	2.57	2.60
Taxes, Licenses	1.29	1.22
Utilities	1.18	1.16
Insurance	0.71	0.59
Property Rentals	2.41	2.46
Equipment Rentals	0.48	0.42
Depreciation, Amortization	0.84	0.76
Repair, Maintenance	0.62	0.57
Donations	0.02	0.02
Professional Services	0.13	0.09
Unclassified	1.34	1.42
Credits, Allowances	– 0.37	– 0.45
TOTAL EXPENSES	26.03	24.66

(Source: NMRI's Operating Results)

NMRI's study of 30 discounters over two consecutive years analyzes 17 expense factors as a per cent of sales to show the stronger bottom line in 1981-82.

Target Biz Up 24% in Month

MINNEAPOLIS—Sales of Target Stores jumped 24% during September compared to the same period last year.

The chain's parent company, Dayton Hudson, reported sales of $477,483,000 for the five weeks ended Oct. 2.

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Discount Store News®

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Bradlees-Caldor 'War' Splits N.J. Patrons

By BETTY J. TAYLOR
Researched by Karen Paxton and Taylor

BERGEN COUNTY, N.J.—Bradlees and Caldor are slugging it out in New Jersey.

Following a year-old battle between the upscale discounters, *Discount Store News'* shopper survey showed Caldor winning in store performance ratings. But, Bradlees was ahead in consumer preference as "the best place to buy" in soft lines and hard lines merchandise categories.

The *DSN* poll—conducted at Caldor in Paramus and Bradlees in Saddle Brook, minutes away from each other in New Jersey's highly competitive Bergen County market—showed Caldor winning an 8.3 overall rating in store performance, compared to a 7.1 for Bradlees.

Consumers at each store rated the chains on a scale of 1 to 10, 10 being the highest, on six criteria: store appearance, locations, prices, in-stock, merchandise quality and clerical help.

When asked where was the best place to buy in nine merchandise categories, consumers polled gave Bradlees higher marks in seven.

Bradlees shoppers more frequently said they would shop Bradlees than Caldor shoppers said Caldor was the "best place" for seven of the nine categories: hardware, small appliances, sporting goods, toys, men's, women's and children's apparel.

In the survey, 76% of shoppers interviewed at Bradlees bought apparel at the chain, compared to 38% of Caldor shoppers who said they bought apparel at Caldor.

Caldor ranked higher than Bradlees in only one merchandise category—housewares—where 47% of Caldor consumers polled said Caldor was their preferred store, compared to 43% of Bradlees shoppers who chose Bradlees.

The chains tied in customers' perception of one department: auto. Both chains were named as the best place by 13% of their respective consumers.

The findings point out that Bradlees, while succeeding in

(Continued on page 66)

Bradlees

Criteria	Shoppers' Rating of Store Performance (a)	Importance to Shoppers (b)
Convenient Location	8.4	5
Store Appearance	8.1	6
Low Prices	7.6	1 (tie)
Quality Mdse.	7.0	1 (tie)
In-Stock Position	6.2	3
Helpful Clerks	5.2	4

CALDOR

Criteria	Shoppers' Rating of Store Performance (a)	Importance to Shoppers (b)
Store Appearance	9.5	6
Convenient Location	8.7	4
Low Prices	8.4	2
In-Stock Position	8.1	3
Mdse. Quality	7.7	1
Helpful Clerks	7.6	5

(a) Shoppers ranked each chain on six criteria, using 10 as the highest score. (b) Shoppers then ranked each criterion as it was important to them, with 1 as the highest score. (Source: DSN research)

New Gold Circles 'Corner' Super Specials

Gold Circle arrived in Buffalo late last month, opening seven stores in a single day. The new units feature a race track aisle, double (soft lines) infield and a new Super Specials Corner. The chain is testing the Corner in this market to see how consumers react to stackouts of special buys and manufacturer closeouts in food, housewares and health and beauty aids. *(DSN photo)*

T.G. & Y. Shuffles Brass; Del Santo President, CEO

OKLAHOMA CITY—Larry Del Santo, 48, executive vp of Household Merchandising, has temporarily taken over the president and chief executive officer's spot at T.G. & Y. following a top management restructuring at the discounter.

President and ceo Dan Kelly, 62, has been named chairman of the board.

Chain sources anticipate Del Santo will act as president for approximately eight to 12 months and then a new president will be named. It wasn't known at presstime whether the new president would come from inside or outside the company.

The Background

Household Merchandising, formerly City Products, is a division of Household International and the parent company of the 575-unit discounter headquartered here. T.G. & Y. also operates approximately 340 variety stores and a dozen AIM for the best upscale discount department stores.

Other executives affected by the restructuring include H. O. Price, executive vp and chief operating officer; Harold Plunk, executive vp, administration; Hal Pettitt, senior vp, buying and merchandising, and Ron Smith, group vp, marketing and advertising.

Personnel Change

With the reorganization, Price becomes senior vp for buying, merchandising and advertising; Plunk senior vp, administration; Pettitt, vp, hard lines buying, and Smith, vp, marketing and administration. At presstime, the chief operating officer position remained open.

Jim Carel, who left the chain about a year ago to undertake a special corporate assignment, has returned to his former position of vp, soft lines buying. According to chain sources, the

(Continued on page 66)

K mart Increases Brand Apparel Stake: Names 2 Execs; Jobber Deal Reported

TROY, Mich.—K mart has intensified its commitment to developing a piece of the growing off-price branded apparel business.

Two soft lines merchants have been pulled from the ranks to head the effort. K mart has reportedly made a $2 million agreement with Fashion House, a Rhode Island based apparel jobber, to handle its brand name buying.

John Haller was named merchandise manager for national brand and designer merchandise with responsibility for men's wear, infants' and children's wear, and fashion accessories.

W. P. Siebert has been designated merchandise manager for national brand and designer merchandise for all women's apparel.

Prior to his new appointment, Seibert was merchandise manager for women's blouses and tops for K mart Apparel.

> **"K mart could begin as early as 1983 to open off-price specialty stores."—**
> ***Bernard Fauber, chairman, K mart.***

Haller was divisional merchandise manager for men's and boys' wear, based at Troy headquarters. He has been moved into the K mart Apparel operation in North Bergen, N.J.

K mart management also disclosed it has no plans to expand its current 400-store Jonathan Logan program for the spring season, but the sales results of this merchandise were described as "favorable."

As for the question of how K mart plans to buy branded apparel, it appears to be answered—but only in part.

Shortly after such labels as Villager, Harve Benard, Crazy Horse, Henry Grethel, Izod and Health-tex appeared in the six test stores, management of Fashion House, a jobber specializing in closeout merchandise, announced it had supplied K mart with the goods.

Jack Wasserman, a vice president of Fashion House, which is part of the J. S. Levi jobbing

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Digest Dec. 13, 1982

Zayre

Special Report
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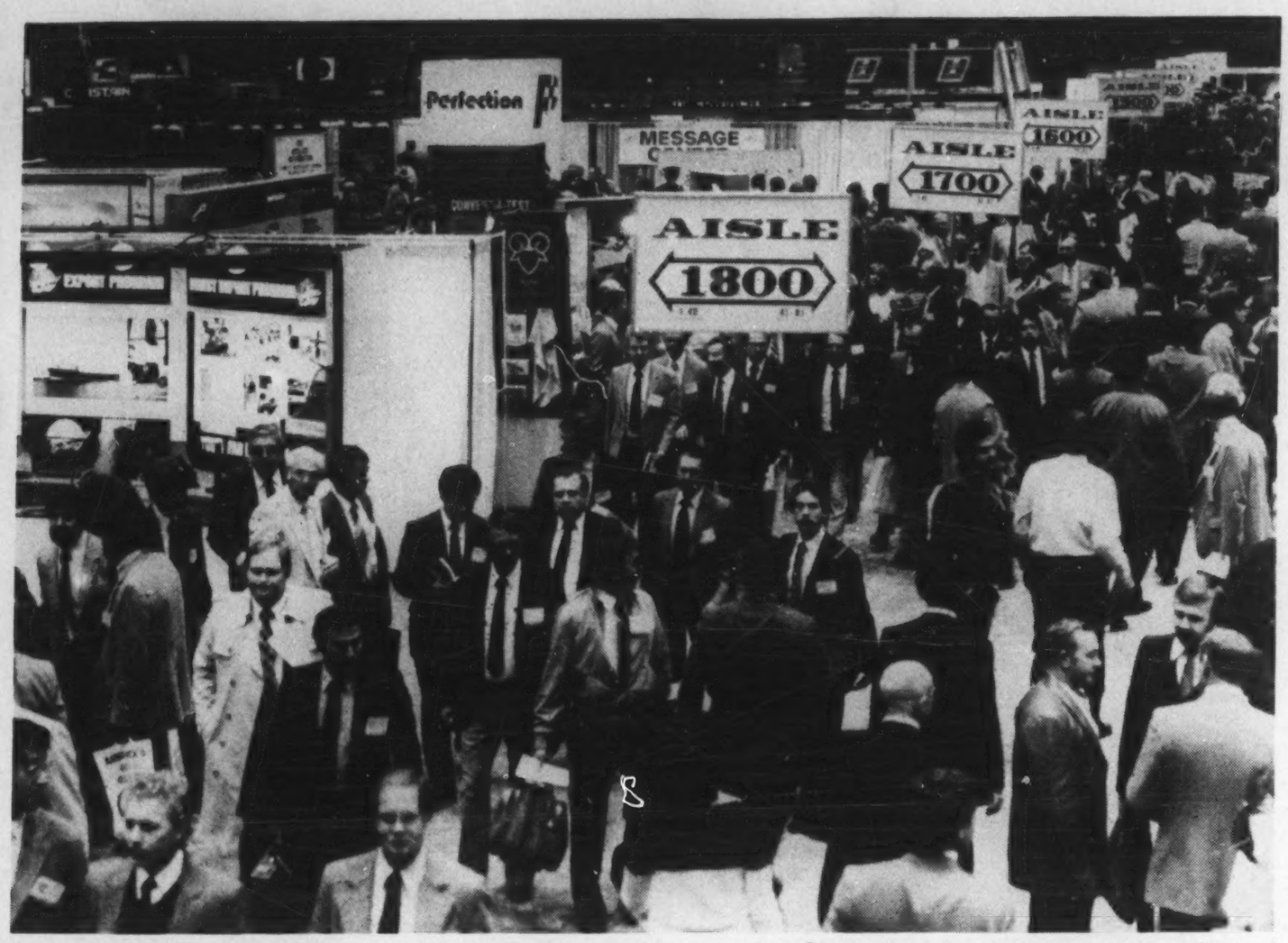

Buyers converging on the recent Auto Parts and Accessories Show found more consumer-oriented packaging on goods, and manufacturers ready to do business with deals and co-op dollars.

New Packaging, Deals, Rebates Recharge Auto Buyers' Optimism

CHICAGO—Optimism was high as a record 845 exhibitors met with buyers in McCormick Place last month for the Auto Parts and Accessories Show.

The consensus among chain buyers returning to their offices was that a strong '83 is "in the bag."

Not only are slow new-car sales sending a greater number of consumers into discounter auto departments for parts and maintenance needs, but it was also evident that manufacturers are becoming more attuned to the needs of mass merchandisers.

Many manufacturers, for example, came to Chicago with their products in bolder, easier-for-consumers-to-shop packaging. Better promotional deals and more rebate coupons were also in evidence—even if a strong slate of new products wasn't.

Buyers' optimism was also buoyed by price stability. A buyer from Prange Way noted prices were down 6% to 8% on imported accessories and tools, while prices on domestic items generally held steady.

Discounters expect new twists in basic items to spark strong automotive sales. Air compressors with added safety features such as lights and emergency blinkers were pegged as strong sellers by discount buyers, and so were lamb's wool versions of seat covers.

New products that made discount buyers' pick lists included a do-it-yourself disc brake replacement kit, a pick-up truck bed cover and a chemical sealant to instantly repair punctured tires.

A buyer for Danners was especially excited about plastic hubcaps which will sell for about $30 for a set of four compared to a tag of over $100 for metal ones.

H.R.T. Cites Slow Discounter Sales

Zodys' Parent Files Chapter XI

LOS ANGELES—Zodys has become the latest discount chain to buckle in this year's battering economy.

H.R.T. Industries, the chain's parent company, has filed for protection under Chapter XI of the Federal Bankruptcy Act, citing abnormally slow sales in the 55-unit Zodys chain as the primary reason. It is their second such filing in eight years.

H.R.T. had expected Zodys to account for 80% of its corporate income for the current fiscal year following the company's sale of the 68-unit Hartfield chain earlier this year.

But, H.R.T. incurred a pretax loss of $6.3 million for the first half of the fiscal year and estimates another $6 million loss for the third quarter.

H.R.T. has been unable to resolve its cash-flow problems which intensified over the last three or four months, according to president and chairman Edward D. Solomon.

Factors which contributed to slow sales at Zodys included high unemployment in low-income areas where many of Zodys stores are located, and the effect of the devaluation of the Mexican peso, which hurt border-area stores.

The next step: "We will now re-evaluate each of the Zodys stores to decide if we want to close any or if there are any markets we want to vacate," said Solomon.

In addition to the Zodys chain, H.R.T. operates the 80-unit Shoe Stop chain and an apparel manufacturing operation called Jody-Tootique, which isn't included in the company's Chapter XI status.

Third-Quarter Results For Leading Chains

Chain	Sales (millions) 1982	1981	% Gain (loss)	Net Income (millions) 1982	1981	% Gain (loss)
Sears[a]	$5,098.5	$5,016.5	1.6	$70.3	$46.4	51.5
K mart	3,882.5	4,016.2	(3.3)	30.1	14.0	115.1
Federated	1,854.3	1,707.6	8.6	39.7	51.6	(22.9)
Dayton Hudson	1,362.5	1,195.2	14.0	38.1	31.9	19.0
Montgomery Ward	1,288.0	1,341.0	(4.0)	(38.0)	(63.0)	(39.7)[b]
F. W. Woolworth[c]	1,248.0	1,258.0	(0.8)	14.0	18.0	(22.2)
May Dept. Stores	881.5	826.8	6.6	26.7	18.9	41.3
Wal-Mart	827.8	634.5	30.0	26.7	18.7	42.9
Associated Dry Goods	744.4	710.1	4.8	8.2	10.2	(19.6)
Zayre	555.8	451.3	23.2	11.8	7.4	60.3
Gemco/Memco	507.0	426.0	19.0	3.5[d]	1.0	37.0
Service Merchandise	222.0	191.3	16.1	1.4	1.1	35.0
Jamesway	83.7	74.5	12.0	1.7	1.1	56.0

[a]Merchandise group results. [b]39.7% reduction of 1981's third-quarter loss. [c]Results exclude Woolco. Third-quarter net loss, including Woolco and the sale of a 52.6% interest in the company's British subsidiary was $428 million in 1982. [d]Pretax earnings.

Luria Will Publish Its Own Catalog

MIAMI LAKES, Fla.—Add L. Luria & Son to the list of showroom chains publishing its own catalog.

The 26-showroom chain has ended its three-year membership in the Mutual Merchandising group and will produce its own catalog starting with the 1983-84 period.

President Leonard Luria said the move will result in a catalog specifically "suited for our markets." The chain will print more books for about the "$1 million or so" it had spent using a coordinator.

Luria said "a little over 800,000 books were distributed this fall" and "900,000 to one million are projected for 1983-84, based on the opening of at least one or two new stores."

The company's decision to become an independent cataloger came shortly after Luria successfully raised $8,667,000 in a stock offering, and reported a 44.3% jump in net earnings on a 20.2% increase in sales for the fiscal year ended June 26.

Last month Luria opened showrooms in Naples, St. Petersburg and Carrollwood (Tampa), Fla., to hit 26 stores, with units in Vero Beach and Delray Beach, Fla., already projected for 1983.

Luria said publishing a catalog wouldn't present major problems as the company already issues its own flyers and produced the entire jewelry and watch sections plus numerous other pages in the Mutual Merchandising book it used during the past three years.

"We want to do our own graphics, merchandise and selection of vendors."—*Leonard Luria, president, L. Luria & Son.*

Before joining Mutual Merchandising, Luria had been a member of the Creative Merchandising group, and had put together its own jewelry, watches, silverware, giftware and appliance sections when it was a member of that group.

Luria left Creative Merchandising when two other mem-

(Continued on page 66)

Discounter Orders Small For New Sealed Tylenol

Special DSN Report

Discount buyers are planning to order only a fraction of their pre-October orders of the new triple-sealed Tylenol capsules.

Even as the first round of the planned 40 million coupons for a free bottle of any Tylenol appeared in Sunday newspapers nationwide, many chains including Wal-Mart had failed to place orders for what was once the leader in discounters' second largest volume-producing H&BA category.

"We haven't decided on a number yet, but we will treat it like a new product entry and order very conservatively," explained Wal-Mart buyer Mike Lewis.

Lewis and other discounters report a drop in Tylenol's share from 37% to about 5% of all analgesic sales since Tylenol extra-strength capsules laced with poison were linked to seven deaths in Chicago early in October.

Now, less than two months later, Johnson & Johnson is taking orders on its new triple-sealed, tamper-resistant version of Tylenol capsules.

Discount buyers who have ordered new Tylenol are ordering a quarter to a third of their pre-October orders, a poll showed.

"My gut feeling," explained one buyer, "is that they're rushing things too much."

A Step Forward

Tylenol did manage to be the first to roll out new packaging under the F.D.A.'s tamper-resistant qualifications, mandated at factory level by Feb. 5. The company also combined three safety features in its new packages: a box glued shut at both ends, a red plastic seal surrounding the cap, and an inner foil seal over the mouth of the bottle.

The company says that its studies showed that 77% of the consumers are willing to buy Tylenol capsules in the tamper-resistant packaging. New packages are scheduled to be on the shelves by Jan. 1. Until then, consumers can use the coupons for their free bottle.

K mart Star Of 3rd Qtr.: Net Doubles

Special DSN Report

For the third quarter, K mart went to the head of the class in net income gains with a whopping 115.1% increase, despite a 3.3% decline in sales compared to the same period in 1981.

In fact, K mart's pickup of roughly $16 million in net income was greater than its total $14 million net income in 1981's third quarter.

The major component of K mart's increase was a two-percentage-point gain in gross profit margins, 27.1% of sales in

(Continued on page 65)

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Vol. 21, No. 24 Dec. 13, 1982

Wrap Session Pays Off

Hills, Depew, N.Y., uses seasonal endcap to sell customers on the value of flat wrap—not rolled—Christmas paper. According to store manager Bob Boose, the employee time spent in wrapping has paid off in sales. *(DSN photo)*

16 Closed King's Are Sold; Rivalry For Woolcos Gains

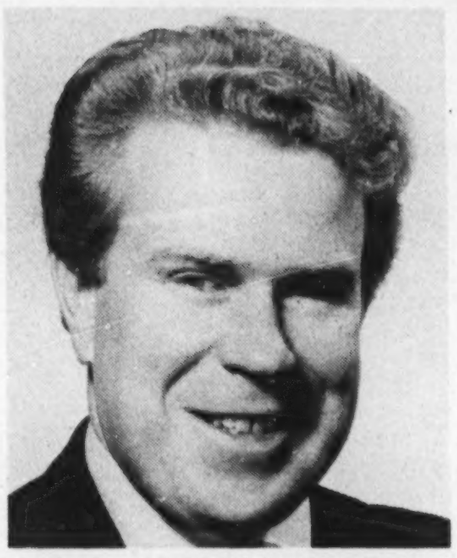
4 Discounters Get 7 King's

NEW YORK—Four discounters have successfully bid for seven King's in the first of two Chapter XI auctions of the leases of 79 of the chain's closed stores.

Bids were accepted on 16 of the 27 stores put on the block at the first auction. KDT Industries, King's parent, will receive $4.4 million from the sale. King's owns very few of the stores outright.

Another 54 units, including two holdovers from the first

(Continued on page 65)



John E. Parker, U.S. Woolworth general manager, has been named president and ceo of the variety store division.

K mart, Caldor Eye Woolcos

NEW YORK—As Woolco's liquidation sale got under way last month, competition for store sites around the country heightened.

At Woolco headquarters, a liquidation expert was brought on board, and management continued to be realigned.

In the competition for Woolco stores, K mart, Caldor and G. C. Murphy Co. were the latest to look at soon-to-be vacated units, according to Woolco sources.

(Continued on page 65)

Discounters' Merchandising Results A Bit Better Than Old-liners' in '80-'81

NEW YORK—Discounters turned in a slightly better merchandising performance than did conventional department stores during the 1980-81 phase of the current recession.

While the recession impacted discounters a trifle less than department stores, both types of retailers reported poorer merchandising results as measured by the traditional standards of markups, markdowns, gross margins, turns and stock shortage.

The brighter discount picture is the result of a sharp 5.3% cut in total expenses that resulted in a 30.5% rise in profits after taxes (see story, *DSN*, Nov. 15, p. 1). Department stores had a 0.8% increase in expenses which helped to cut their aftertax profits by almost 3%.

Analysis of the merchandising results of discounters and department stores is based on two studies: the National Mass Retailing Institute's *Operating Results of Self-Service Discount Department Stores, 1981-82*, and the National Retail Merchants Association *1982 MOR Report for 1981* (with the focus on statistics for department stores with sales over $100 million).

Sixteen major merchandising categories were tracked by *DSN* from statistics in the two merchandising reports. The figures showed that in battling the recession, discounters and department stores took different tacks to draw shoppers.

Discounters tended to go with lower markups (this measurement was down in 13 categories) while taking much fewer markdowns (13 categories showed a drop in markdowns as a percentage of sales). Department stores increased their markup in eight categories and had declines in five, but the markdowns were higher in

See table, p. 65.

10 categories and down in three.

The bottom line in both cases was more aggressive pricing and almost no change in the gross margin picture.

Discounters' overall gross margin went up 0.42% to 28.5% from 28.4%; gross margin was up in nine categories and down in six. Department stores registered an 0.39% gain to 43.1% from 42.9% as the gross margin went up in four cases and down

(Continued on page 65)

Get Butts in Stores by January 1 To Beat 8¢ Higher Excise Tax

WASHINGTON—Discounters that shuffle cigarette inventories from chain warehouses to retail stores by Jan. 1 will beat the stiff new 100% Federal excise tax increase deadline set to take effect nationwide on that date.

That increase, enacted as part of last summer's $98 billion tax boost, doubles the present 8¢ per-pack excise tax to 16¢. Although the higher tax rate will be imposed directly on tobacco companies after the beginning of 1983, discount stores and other retailers will be required to conduct a one-time inventory of all stocks received at the store level after Jan. 1, and remit the tax on these inventories directly to the Internal Revenue Service.

Although the law specifically provides that floor stocks of cigarettes already in commerce at the beginning of next month will be subject to the higher, 16¢ per-pack tax, officials at the Association of General Merchandise Chains are alerting their chain members that "the new tax won't apply to 'cigarettes in retail stocks held on Jan. 1, 1983, at the place where intended to be sold at retail.'"

This special Treasury Department "retail point-of-sale exemption" applies "only to cigarettes being held for sale at locations where consumers may ordinarily come to purchase them," AGMC emphasized. "Besides cigarettes actually on the shelves, those in stockrooms or other storage areas that are within, or that form an integral part of, retail premises will be exempt from the new tax, as are stocks in vending machines accessible to consumers."

In contrast, discounters will be required to pay the extra tax on any cigarettes which, on Jan. 1, are either "in transit or in inventory locations other than the point-of-sale" such as a warehouse, association lobbyists said.

Although the Department's Bureau of Alcohol, Tobacco and Firearms was still drafting final regulations governing tax collection procedures at presstime, the agency plans to require all cigarette retailers to conduct a special year-end inventory of all cartons held in nonselling locations.

On the basis of that stock count, discounters will be required to file a special one-time "floor stock tax return" to ATF by Jan. 18.

FTC Alters Transshipping Order

Pioneer, Catalogers Claim Win

WASHINGTON—Pioneer Electronics (USA) and the catalog showroom industry both claim a victory in the battle over the manufacturer's efforts to restrict distribution of its home stereo products.

The Federal Trade Commission last month rejected a Pioneer petition to allow it to ban all transshipments of its hi-fi products. Instead, the FTC modified a previous order that will now require Pioneer to permit transshipments to retailers that aren't part of its authorized dealer network, and which meet "lawful reasonable and nondiscriminatory minimum standards."

Ron N. Stone, Pioneer's senior vice president for finance, said the manufacturer will determine the "minimum standards" and transshippers will have to get Pioneer's approval before transshipping goods to nonauthorized dealers. A transshipping clause was due to be sent to dealers at presstime.

Richard B. Kelly, general counsel to the National Association of Catalog/Showroom Merchandisers, asserted catalogers "meet the same minimum standards as many competing retailers which sell the Pioneer line." The commission's order means "Pioneer will be hard pressed to cut off suppliers to the catalog showroom industry."

PIONEER®

Pioneer stopped shipping to catalogers directly this summer even though showroom chains were major outlets for goods, handling about $40 million (at wholesale) worth.

Best Products and Service Merchandise were reportedly the top retailers of the Pioneer line.

Petitions opposing the Pioneer action were filed by NACSM, Best and Service Merchandise. They all contended that catalogers met the same standards as authorized dealers.

Stone said that Pioneer executives haven't even discussed the question of whether Best, Service Merchandise, H. J. Wilson or other catalogers meet the manufacturer's unspecified standards. He added that, so far, no transshipper has asked Pioneer for clearance to sell to a cataloger.

Fedco Bounces Back After Tornado Ripoff

VAN NUYS, Calif.—Employees at the Fedco store here are wearing T-shirts that say "I survived the tornado."

A bizarre weather phenomenon in southern California—a twister—tore away part of the store's roof, causing an estimated $2.5 million in damages.

Despite the freak wind, which was spawned by a mid-November storm, the Fedco unit was reopened for business only four days later.

Fedco's employees "really rallied around" to overcome the crisis, said Edward Butterworth, the 12-unit membership chain's president and ceo.

The twister struck on a Tuesday shortly before the store's noon opening. No customers were inside the 150,000-sq.-ft. building. The violent wind shredded some 40,000 sq. ft. of the roof, damaging ventilating equipment, sprinklers and electric lines. Accumulated rainwater and hailstones poured inside, resulting in $1.5 million damage to merchandise—mostly television sets, video games and other electronic equipment. Rooftop damage was estimated at $1 million.

A guard shack was blown down by the twister, slightly injuring two guards. A six-ton meat truck was toppled in the parking lot.

In the twister's wake, the store was a mess, Butterworth said. The store's interior was several inches deep in water and tons of debris such as tarpaper, and other building materials were scattered about.

Employees scurried to cover merchandise with plastic sheeting. Cleanup efforts were set to continue throughout the evening. But at 6 p.m., a lighting bolt struck the building's transformer, knocking out power for five hours. "It made it very difficult for us because it was raining and we critically needed lights to get the merchandise moved and the roof covered," Butterworth said.

One week after the tornado struck, store employees were treated to a brunch. The chain's executive staff waited on tables and handed out the "I survived the tornado" T-shirts.

16 Closed King's Sold Off

(Continued from page 7)

auction, were set to be offered for sale at a second auction due to be held at presstime. This group included six King's in the New Orleans area which were closed early in November. Those units are reportedly being eyed by Wal-Mart and West Bros., a DeRidder, La.-based discounter.

To date, Bradlees has been the highest bidder for any King's lease, putting up $1,425,000 for a 60,000-sq.-ft. store in Guilford, Conn. King's is the only discounter in that affluent community on Connecticut's Long Island Sound shoreline.

Jamesway, Mars and Ammar's each won two units at the first auction, held last month; nine other stores went to landlords or local developers.

Of the 11 units that weren't sold, two will be on the roster for the second auction. The fate of the other nine wasn't known at presstime, but one source said King's is "expected to disavow any interest in some of those units."

The six closings in New Orleans raised to 72 the number of King's that the company has identified as having closed this year. Last year King's closed an additional 70 stores.

The two auctions included nine King's whose closings earlier this year weren't detailed previously. These nine include two each in North Carolina and Virginia, marking King's complete withdrawal from these two states, and units in Middletown and North Haven, Conn., Cortland and Schenectady, N.Y., and Lancaster, Ohio.

Fewer Units

The King's in Chalmette, La., the discounter's only other store in the New Orleans market, was also quietly shut earlier this year, with the lease reverting back to the landlord.

Ammar's, of Bluefield, Va. (which uses the Magic Mart logo on its stores), bid $350,000 for a King's in Kingsport, Tenn., and $325,000 for a Johnson City, Tenn., unit; Jamesway won units in Hyde Park, N.Y., and Warrington, Pa., in a package bid of $650,000 and Mars put up $200,000 for Chicopee and Lowell, Mass., stores.

The three discounters expect to reopen the six ex-King's in the spring.

Ammar's will use the two King's to move into a new market: eastern Tennessee. The chain has nine stores in the area where the borders of West Virginia, Virginia and Kentucky meet.

Johnson City and Kingsport, Tenn., are part of a tricity market that includes Bristol, Va. Ammar's is looking for sites in the latter city.

Jamesway will use its acquired King's to flesh out two of its current markets:

The Hyde Park, N.Y., store joins a half-dozen other Jamesways in the mid-Hudson Valley area north of New York City, while the Warrington, Pa., unit will become the fifth in a suburban arc outside of Philadelphia.

New Moves

Mars' acquisitions include its first move to have multiunits in a market. The Lowell store will become a team with the Mars north of that city in Pelham, N.H. The Chicopee unit will be in a brand new market for Mars in western Massachusetts.

Mars obtained an extension of its unsecured line of bank credit from $1.5 million to $3.2 million to help finance its expansion. The seven-unit chain hasn't opened a new store in about a half-dozen years.

Liquidation of the inventories in the 66 King's closed earlier this year raised about $15 million. That liquidation was handled by Halle Bros., one of the arms of the Schottenstein interests of Columbus, Ohio. Schottenstein was involved in a number of major retail liquidations, including Korvettes.

Schottenstein was also handling the going-out-of-business sale at the six King's in New Orleans, under way at presstime.

Wal-Mart and West Bros. are reportedly interested in the six New Orleans King's.

King's speeded up the closing of the six New Orleans stores because of the F. W. Woolworth decision to close all Woolcos, including six in the New Orleans area.

Steven J. Green, chairman of KDT Industries, King's parent, said in a statement filed with the Federal Bankruptcy Court in New York that the King's were closed early because the market "soon would be saturated with special promotions by Woolco."

Woolcos Are Eyed

(Continued from page 7)

Woolco's leases provide that landlords, with notification of 90 or more days in advance of store closings, have the right to elect to terminate Woolco's leases and recapture the sites. Therefore, any negotiations being conducted are through landlords, the chain said. At the end of the notification period the leases revert to Woolco.

On Long Island, chain sources said landlords most recently talked to Caldor and K mart, which followed Jamesway in expressing interest in the market.

In New Orleans, where Target was suspected of being the front-runner for about half-a-dozen sites, Woolco sources said the Minnesota-based upscale discounter won't make a move for the time being.

But, another suitor has been added to the New Orleans market, as G. C. Murphy joined Wal-Mart in investigating the sites.

Meanwhile, liquidation expert Sam Nassi was retained as a consultant by the F. W. Woolworth Co. Nassi previously handled the W. T. Grant liquidation, among others.

At headquarters, management shifts continued with U.S. Woolworth general manager John E. Parker upped to president and ceo of the variety store division.

Parker's appointment came on the heels of the ascent of John W. Lynn to the chairmanship and ceo position of F. W. Woolworth Co.

Lynn, previously vice chairman of the board, was credited by the company with having "spearheaded the actions behind the company's major strategic moves of the recent past," including the termination of Woolworth in Spain, the sale of 51% of the company's Mexican subsidiary shares, and the sale in October of the 52.6% interest in its British division.

In other corporate moves, Arnold S. Anderson, formerly a director of Woolworth's Mexican and British subsidiaries, was elected to the newly created post of executive vp, administration.

Discounters vs. Dept. Stores

Department	Markup[1] Discount Store	Markup[1] Dept. Store	Markdown[2] Discount Store	Markdown[2] Dept. Store	Stock Shortage[3] Discount Store	Stock Shortage[3] Dept. Store	Gross Margin Discount Store	Gross Margin Dept. Store	Turns Discount Store	Turns Dept. Store	Sales as % of Total Volume[4] Discount Store	Sales as % of Total Volume[4] Dept. Store
Auto Accessories	31.5%	43.7%	6.6%	15.8%	1.0%	N.A.	25.5%	31.8%	1.5	3.3	4.9%	0.2%
Major Appliances	N.A.	26.8	N.A.	6.4	N.A.	1.4%	N.A.	22.6	N.A.	3.5	1.0	1.2
Home Electronics[A]	21.9	27.4	5.1	7.0	1.7	2.0	17.8	21.4	3.1	2.9	2.5	2.6
Small Appliances	22.4	27.3	6.3	7.3	1.2	1.8	17.4	22.0	32.6	2.9	2.9	1.2
Housewares	35.8	45.1	7.8	8.7	0.6	1.2	31.9	41.5	2.4	2.0	5.8	1.9
Hardware[B]	35.8	41.4	8.2	10.2	1.9	4.1	28.6	35.6	N.A.	1.9	4.0	0.4
Hobby, Recreational & Transportation[C]	28.1	43.1	7.0	15.4	1.9	4.0	22.7	34.7	0.8	2.2	11.0	0.8
Toys	34.9	40.6	6.7	11.0	1.5	2.1	28.8	34.2	1.2	2.2	5.8	0.6
H&BA	24.8	39.4	4.6	0.8	2.1	1.2	21.6	38.8	3.4	3.2	7.5	6.4
Women's Apparel & Accessories[D]	44.4	51.2	12.3	19.3	2.1	3.7	35.4	44.2	1.0	3.9	13.4	22.7
Men's Apparel & Accessories	38.2	49.8	8.3	11.5	1.5	2.3	35.6	44.5	3.0	3.1	8.9	12.4
Children's Wear	38.8	49.3	8.5	12.6	0.9	2.2	34.4	44.6	2.7	3.3	7.3	6.4
Household Textiles[E]	38.1	47.5	8.5	8.8	0.8	1.2	32.3	44.3	1.7	2.1	7.0	5.9
Furniture, Home Furnishings & Accessories	37.9	48.4	10.5	10.4	1.3	1.2	30.8	43.5	13.2	1.7	2.2	9.8
Stationery Supplies & Accessories	40.9	47.3	6.4	6.8	1.9	1.9	36.5	44.1	4.8	2.9	2.5	1.4
Home Improvements	37.7	N.A.	18.9	N.A.	0.9	N.A.	30.9	N.A.	6.9	N.A.	1.9	N.A.

Discount store figures are combined dollar averages; (Conventional) department store figures are medians. N.A.—Not available.

[1] Cumulative figures, including transportation costs. [2] Figures include employee discounts. [3] At retail. [4] Discount store figures are percentages of total sales for chains with sales in the specific departments; department store figures are percentages of total consolidated store volume.

[A] Discount store figures exclude records; department store figures include records. [B] Department store figures exclude paint and related supplies and lawn and garden. [C] Discount store figures include books, records, photo, luggage, art supplies and sporting goods; department store figures are just for sporting goods. Department store median figures for books, art supplies, and photo are: markup, 33.3%; markdown, 5.8%; stock shortage, 2.1%; gross margin, 28.9%; turns, 2.1, and sales percentage, 0.7%. [D] Discount store figures include intimate apparel and accessories, which aren't included in department store statistics. Latter's median figures for this category are: markup, 50.9%; markdown, 7.6%; stock shortage, 2.6%; gross margin, 49.1%; turns, 3.2, and sales percentage, 11.6%. [E] Discount store figures don't include the bath shop, which is part of department store statistics.

Sources: For discount stores: NMRI's Operating Results of Self-Service Discount Department Stores, 1981-82; *For department stores; NRMA's* 1982 MOR report of 1981 Merchandising and Operating Results.

Discounters Nip Old-liners

(Continued from page 7)

in eight.

Both retailers also sharply cut their inventory levels to conserve cash and hold down interest expenses. This effort showed up as extensive drops in turns, with discounters' turn down in 12 categories and higher in two; department stores' was lower in 10 cases and improved in two.

The most telling sign of the poorer merchandising performance of both types of retailers was in the soft goods area. This was especially so for discounters who have been making a major effort to strengthen their merchandising of higher-profit apparel and accessories.

Discounters' markup fell across the board for apparel: women's wear off almost 1%, men's apparel 8.7%, children's wear 4.2% and household textiles 4.5%. Department stores boosted markups for women's apparel 0.8% and children's wear 0.6%, while men's wear was off 0.8% and household textiles 0.2%.

The high markup for soft goods—along with sharp drops in markdowns—enabled discounters to retain high gross margins for apparel and home textiles despite increases in stock shortage and drops in turns.

The markdown declines for soft goods included women's apparel, down 10.6%; men's wear, off 15.7%; children's wear, down 8.2%, and household textiles, down 7.5%.

The gross margin picture had women's apparel off 1%, while men's wear was up 3.6%, children's apparel, up 1.1% and household textiles up 0.7%.

The poorer stock shortage situation had women's wear up 7.1%, men's apparel up 11.7% and household textiles up 5.3% while children's wear was down 14.1%.

Turns dropped for all four categories: women's wear, 17.1%, men's apparel 44.3%, children's wear 8.2% and household textiles 24.6%.

Discounters' markups were down for all the hard lines except auto accessories and home improvements. But, markdowns were also cut sharply for almost all those categories so that most showed slight gains in gross margins despite increased stock shortages.

While department stores were able to boost markup in more categories than discounters, the full-price chains didn't fare any better overall than their lower-priced rivals.

Fuller Explanation

This was due to big increases in markdown (10 categories had gains); large declines in turns (10 categories registered drops), and only moderate gains in cutting stock shortage (seven categories showed an improvement). The end result was a poorer gross margin picture as this measurement was down for eight categories and up for only four.

The all-important, higher-profit soft goods side showed mixed results.

Women's wear had an 0.8% gain in markup that was countered by a 9% increase in markdown; an 8.8% boost in stock shortage, and a 7.1% drop in turns that resulted in gross margins sliding 2.2%.

In men's wear, the results were: markup fell 0.8% while stock shortage was down 14.8%; turns were off 3.1%, and markdowns were up 0.9%. Gross margin, however, had an 0.5% gain.

Children's wear markup was up 0.6% while markdowns increased 2.4% and turns dropped 2.9%. There wasn't any change in stock shortage, but gross margin declined 1.8%.

Household textiles had an 0.2% decline in markup, a 6% gain in markdown, a 25% jump in stock shortage and no change in turns. Gross margin fell 0.9%.

K mart Is Star of 3rd Qtr.

(Continued from page 6)

the 1982 third quarter vs. 25.1% in the comparable period last year.

Management said the company's aggressive promotional posture adversely affected gross margins last year. In 1982, K mart's strategy shifted to a less promotional stance.

Herbert S. Christner, assistant treasurer for financial public relations, said: "We decided to sell less promotional merchandise this year, to try to earn more on what we sold. We plan to continue this strategy."

Other factors in K mart's increase were a LIFO adjustment of approximately $10 million and a 60.7% reduction of interest expense.

Christner explained the decline in interest expense was the result of less borrowing and declining interest rates.

Gaylords Names Rokoff, Michlin

SECAUCUS, N.J.—Gaylords National has made two new merchandising appointments.

Bill Rokoff was named merchandise manager for girls', infants' and toddlers' apparel and lingerie. Prior to joining the company Rokoff was with Jamesway.

Frank Michlin was appointed buyer of lingerie, handbags, hosiery and accessories. Before joining Gaylords, Michlin was with K mart and Ames Stores.

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HOUSEWARES:

Special Show Section—Pp. 29-105

NHMA INTERNATIONAL HOUSEWARES EXPO

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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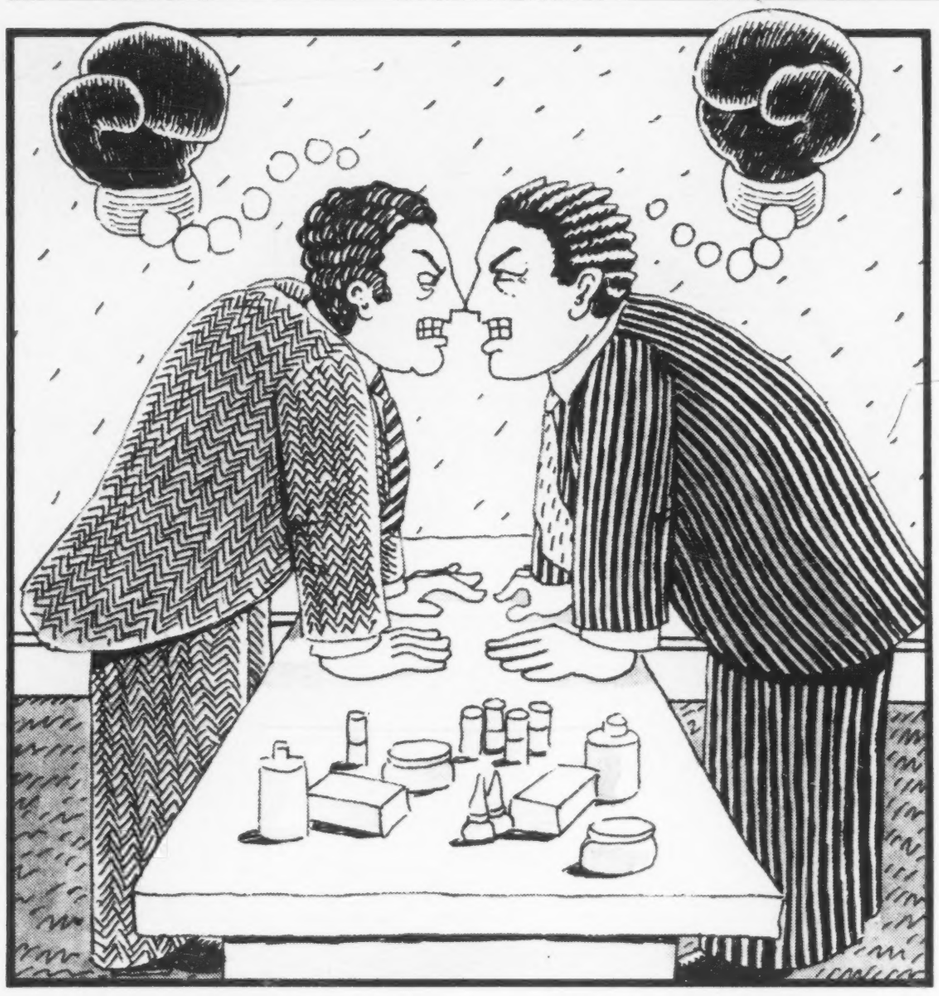

More and more chains are deciding they can improve bottom-line results by helping (training) their buyers to improve their communications skills.

More Buyers Trained In Negotiation Skills

By KAREN PAXTON

The door is closed to distractions outside.

Inside the room, the mood is relaxed but intense. A buyer and a vendor sit face to face across a table. The buyer wants the merchandise delivered in time for a chainwide promotion.

"Impossible," the vendor answers. "I could never make it on that large an order."

Suddenly the frame freezes. The video tape stops. A negotiation-skills trainer turns to the audience: "What would you say next?"

This scene will be repeated several times this year among buyers for discount chains including Zayre, Gold Circle, Hills and Richway, as chains hunt for ways to improve their operating efficiency.

(Continued on page 9)

New Discounter Lineup Rises in D.C., Baltimore

WASHINGTON—A major discounter shuffle is under way in the Washington and Baltimore markets.

Bradlees is the latest discounter to ante up in the two markets; it has acquired 13 Memcos from West Coast-based Lucky Stores.

The discounter's acquisition came on the heels of Caldor's announced plans to enter Baltimore later this year. Caldor's parent, Associated Dry Goods, has shut its five-unit Stewart arm in Baltimore and turned the stores over to the discounter.

A real estate battle between discounters could be triggered this year with the bidding for the dozen Woolcos shut in the two markets: 11 in the Washington area and one in Severna Point, south of Baltimore.

Bradlees is expected to go after some of the closed Woolcos to firm up its entry into the two markets that will occur late this summer with the unveiling of the Memcos under the Bradlees banner.

Caldor is seen as eying the six Woolcos on the Maryland side of Washington as a natural expansion south from Baltimore. When Bradlees opens in the Washington area, it will be the only upscale discounter in that market—a tempting invitation for Caldor to also enter the fray (the two chains have long competed in New England and, last year, in New Jersey).

K mart, meanwhile, which has 15 stores in the Washington area and 11 in the Baltimore market, is seen as interested in strengthening its base to compete better with newcomers Bradlees and Caldor plus the discounters that already have stores in the two markets—Zayre with 10 in the Washington area, Murphy's Mart with six in Baltimore and Cook's with four in Baltimore.

Bradlees' acquisition of the Memcos is the key deal in the market reshuffling. The move denotes the aggressive expansion program being pushed by Bradlees which last year opened 15 stores, including seven in New Jersey on a single day to bring its store count to 106 at year's end.

Lucky's sale of the Memcos ended months of speculation about the future of its ailing

(Continued on page 10)

Hear Caldor Deals For 5 L.I. Woolcos

NEW YORK—Caldor was reportedly negotiating with the landlords of at least five Woolcos on Long Island at presstime.

The stores that Caldor is eying as its entry into the relatively open Long Island market are in Bridgehampton, East Patchogue, Lake Ronkonkoma, Riverhead and Rocky Point.

Cataloger Best Products is also reportedly considering jumping into the market fray by taking over the Woolcos in East Meadow, Jerrico and Lindenhurst.

(Continued on page 114)

Best Is Restructured As Diversified Firm

By ARTHUR MARKOWITZ

RICHMOND—Best Products is being recast as a new, more diversified retailer.

The company is now in the midst of a major restructuring, including the elimination of the top positions at its recently acquired Modern Merchandising subsidiary.

The revamping, Best president Andrew Lewis said, will "clearly separate corporate activities from the company's two operating divisions: catalog showrooms and specialty retailing."

In the process, Best has:

- Consolidated Modern Merchandising into Best; only Modern Merchandising's field and local buying operations remain autonomous.
- Promoted and/or reassigned a number of top Best and Modern Merchandising executives.
- Separated the Creative Merchandising coordinating operation from its parent Modern in what trade observers see as the first step leading to Best's proclaimed goal of divesting itself of the coordinator.

Richard B. Kelly, general counsel of NACSM, discusses price-fixing. P. 12.

Lewis said that Best had fully intended to run Best and Modern as two separate divisions, but that "experience showed it didn't make sense to do so in terms of people, money and duplication of efforts."

There wasn't any one factor that triggered the decision, Lewis said. "We talked to many people and examined different possibilities and just reached a decision."

The move is a marriage of Best's highly centralized operation with Modern's regionalized

(Continued on page 13)

Anticipate Hard Sell, However

Housewares Buyers Bullish

By MARILYN NEERMAN

Industry leaders were arriving at the 78th International Housewares Exposition, the last the NHMA would hold in the January time period, in a fairly optimistic mood over sales prospects for 1983.

The majority agreed the first quarter could be the toughest.

In those categories which performed well—such as glassware, furniture, pantryware, storage, bakeware, microwave cookware—discounters will be increasing assortments and, consequently, be more open-minded to shopping around for new resources.

Some chains, like Bradlees and Wal-Mart, were also enthusiastic about sales results in traffic appliances. All chains will face a kitchen electrics market with major reductions in the number of products being offered with rebate programs.

(Continued on page 29)

Buyers planned to do more merchandise programming than in years past, as they arrived at the International Housewares Exposition, the last NHMA show to be held in January.

Digest

Jan. 24, 1983

HOUSEWARES

- **Buyers arrived at the** Housewares Show in a bullish frame of mind, but with shirtsleeves figuratively rolled up as they eyed a hard sell. (p. 1; special section, pp. 29-105)

HARDWARE

- **Much of the discount industry** planned to pass up the first winter hardware show. (p. 3; other news on pp. 17-25)

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HARDWARE

Vertical Blinds on Way Up

"In the main, ours continues to be a basics business, but in 1983 we will be moving deeper into fashion-oriented hardware items," reported Marvin Deneroff, head of Hardware Distributors, Secaucus, N.J.

High on the list of the fashion-oriented hardware items new to the wholesaler are new drapery hardware and vertical blind programs, both from Newell.

While the items don't appear as yet on the Product Movement Audit—the figures on this page cover a 30-day period in early winter—Deneroff expects a strong showing in the first half.

"You won't see the blinds appearing on the audit as a lot of unit sales," he explained, but he expects chain interest to grow in 1983, even though the blinds carry price points that range between $100 and $150.

Interest Is Building

Chain willingness to move into the category is, in part, explained by the margin structure: 50% every day, 33% on ad. But beyond that, the timing is right.

"Manufacturers are starting to package the category like a shop-and-carry item," he said, which is helping the chains sell to the consumer.

"First the chains went from stocking cut-shade programs to do-it-yourself, strip-the-width assortments. They sold the customer on do-it-yourself window treatments. The trade-up to vertical blinds won't be that difficult."

Other new lines the wholesaler expects to do well in 1983 are cable TV accessories and overhead lighting fixtures.

"We've always carried antennas," Deneroff noted. "Now we are stocking hook-up wires and auxiliary boxes. We're making the move now because cable will be everything in a few years."

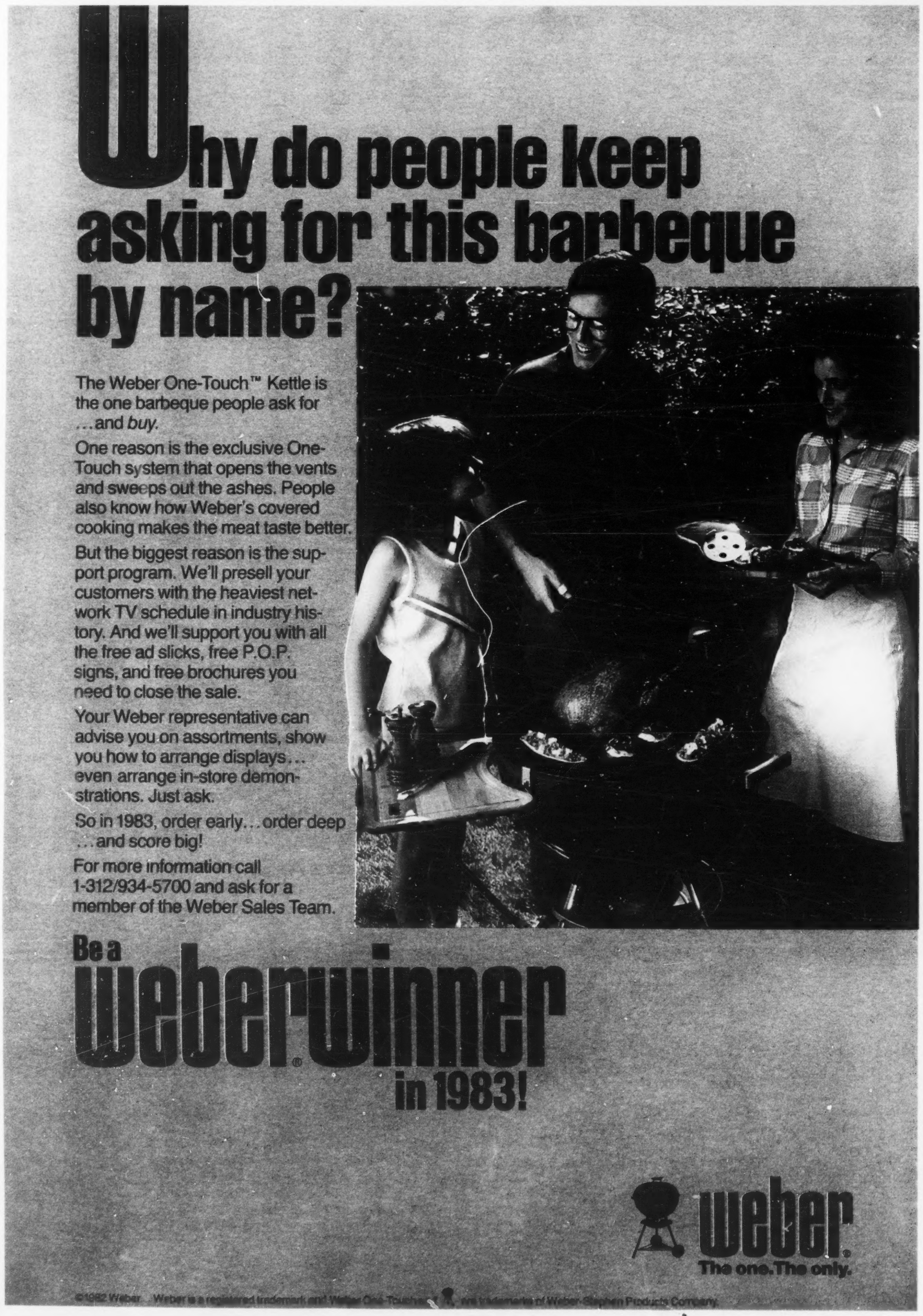
Otherwise, Hardware Distributors' volume will continue to come from basic hardware programs, as the Product Movement Audit reflects.

Power tools remain a basics business, with the next real surge expected at Father's Day. Power tool accessories may see some action during the first half as Black & Decker continues its ambitious push for a greater market share.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	B&D 7127 3/8" VSR Drill	406	33.99	13,799.94
2	B&D 9330 Dustbuster	174	41.99	7,306.26
3	B&D 7504 Jig Saw	187	21.99	4,112.13
4	B&D 7004 1/4" Sander	138	19.99	2,758.62
5	B&D 7436 Fin. Sander	41	52.99	2,172.59
6	Shelton C835 8-gal Net/Dry Jet	23	89.99	2,069.77
7	B&D D7224 1/2" Drill D-Hndl	29	69.99	2,029.71
8	B&D 7404 Finishing Sander	48	33.99	1,631.52
9	B&D 7104 3/8" Drill	60	25.99	1,559.40
10	Shelton HP 535 5-gal Jet Vac	19	79.99	1,519.81
11	B&D D9360 Spotliter	30	33.99	1,019.70
12	B&D 7530 2 speed jigsaw	20	33.99	679.80
13	B&D 7580 VS Jig Saw 1/3 HP	12	43.99	527.88
14	Desa 476 Remington Power Hammer	16	32.99	527.84
15	B&D 7308 7 1/4" Circ Saw	10	45.99	459.90
	HAND TOOLS			
1	Council 6-lb maul	518	17.99	9,318.82
2	Ames 3.5-lb single bit axe	436	17.99	7,843.64
3	Medina propane tank	2,306	3.19	7,356.14
4	Council 6-lb sledge hammer	326	15.99	5,212.74
5	Stanley 16-oz claw hammer	588	7.29	4,286.52
6	Stanley 8-ft powerlock tape	597	6.99	4,173.03
7	Arrow T50 Staple gun tacker	184	21.99	4,046.16
8	Fuller 6-pc Comb Wrench Set	378	9.99	3,776.22
9	Sequatchie 36" Sledge Hammer Hndl	612	4.99	3,053.88
10	USM Pop-Rivetool Kit	268	10.99	2,945.32
11	Stanley Mitey-Knfe Key Ch	1,284	2.19	2,811.96
12	Stanley H/duty Utl Blades	1,540	1.79	2,756.60
13	Fuller 10" Adj Angle Wrench #1	274	9.99	2,737.26
14	Fuller #16, Campers Axe w/sheath	300	8.99	2,697.00
15	Atlas 6-lb Maul w/fibrgls	108	21.99	2,374.92

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOL ACCESSORIES			
1	Roc edge 7 1/4" circ saw bl	1,800	3.19	5,742.00
2	Royal 13-pc prom drill bit	1,279	3.49	4,463.71
3	B&D 75600 6-pc jig bl asst	879	4.39	3,858.81
4	B&D 73107 7 1/4" dlx comb bla	283	5.99	1,695.17
5	Great Neck 7-pc hole saw set	200	6.99	1,398.00
6	Credo 7 1/4" carb circ	102	13.39	1,365.78
7	Howard 1008 twist drill 1/8"	684	1.89	1,292.76
8	East safe paint/dust mask	440	2.59	1,139.60
9	Howard 1130 twist drill set, 13 pc	71	13.99	993.29
10	B&D 73047 7 1/4" plywood blade	228	4.29	978.12
11	B&D 73007 7 1/4' comb blade	220	4.19	921.80
12	B&D 73147 7 1/4" dlx plywood	91	9.99	909.09
13	3M 9152 5" prod disc course	460	1.89	869.40
14	B&D 73237 7" mason/tile blade	232	3.69	856.08
15	Howard 5504 7 1/4" comb saw blade	220	3.69	811.80
	HARDWARE			
1	Ferum 8x10" shelf bracket	9,144	0.69	6,309.36
2	Amer Built 2" x 10 yd duct cloth	3,744	1.39	5,204.16
3	Newell 25-37 shade econ	732	5.49	4,018.68
4	Ferum 10 x 12" shelf bracket	3,888	0.99	3,849.12
5	Amalgamated 225', 3-ply jute	2,916	1.29	3,761.64
6	Newell 25-37 shade econ	794	4.29	3,406.26
7	Handi-Man fastener shop chest	224	12.99	2,909.76
8	Newell 26-46 stnd curt rod	2,280	1.19	2,713.20
9	Newell 27-48 curt rod, sgl	1,560	1.39	2,168.40
10	Newell 48-84 curt rod, sgl	2,604	0.79	2,057.16
11	Newell 21-40 sash rod, rd	995	1.89	1,880.55
12	Newell 3 x 1" slip-in hook	1,000	1.79	1,790.00
13	Manco 1.5 x 42' plas carp	588	2.99	1,758.12
14	Kidde Fire Away 1A10BC	90	19.49	1,754.10
15	Newell 46-84 curt rod, dbl	350	4.99	1,746.50

Source: Figures, covering a recent 30-day period, were supplied by Hardware Distributors, Secaucus, N.J. The firm services 300 stores in nine states, 75% of which are discounters and home improvement centers.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Wholesaler Sales Gain

PHILADELPHIA—Hardware sales to retailers were ahead of year-before totals in late-1982 figures recently released by the National Wholesale Hardware Association.

Three of seven geographic regions nationally also reported significant increases from month-before totals, as NWHA's measurement of October sales showed them 0.7% greater than in 1981.

The slight increase buoyed hopes of many wholesalers, as September's totals had fallen 2.4% behind the year before.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	DINNERWARE			
1	3216-32 Dimension-IV 16-pc set cinnamon	1,750	44.99	78,732.50
2	3216-34 Dimension-IV 16-pc set slate	1,311	44.99	58,981.89
3	3216-33 Dimension-IV 16-pc set almond	834	44.99	37,521.66
4	3216-31 Dimension-IV 16-pc set citrus	772	44.99	34,732.28
5	2020-12 Expressions 20-pc set Indian Summer	495	67.04	33,184.80
6	7200181 Durand-Rosaline 16-pc hostess set	1,418	22.50	31,905.00
7	2020-7 Expressions 20-pc set Wildflower	456	67.04	30,570.24
8	418 Corelle medium bowl white	2,456	11.69	28,710.64
9	20-20-13 Expressions 20-pc set Meadow	419	67.04	28,089.76
10	16-N Corelle 16-pc set white	771	34.19	26,360.49
11	110 Corelle large plate white	2,170	12.14	26,343.80
12	16-4 Corelle 16-pc set gold	586	34.19	20,035.34
13	108 Corelle medium plate white	1,770	10.79	19,098.30
14	110-4 Corelle large plate gold	1,434	12.14	17,408.76
15	110-1 Corelle large plate green	1,344	12.14	16,316.16
	GLASSWARE			
1	190/489 Anchor Hocking 1-gal. sun tea jar	20,568	4.14	85,151.52
2	515 Libbey Citation 6½-oz tall wine	6,546	6.93	45,363.78
3	3040243 Durand 12-pc Grande Noblesse set	1,823	19.80	36,095.40
4	8007148 Durand 24-pc Lancer beverage set	1,441	21.60	31,125.60
5	6200661 Durand Rosaline 6-oz wine pack	3,081	9.90	30,501.90
6	6200653 Durand Rosaline 8½-oz goblet 4-pk	2,896	9.90	28,670.40
7	519 Libbey Citation stem goblet	4,000	6.93	27,720.00
8	771 Libbey 7-oz margarita glass	11,473	2.07	23,749.11
9	516 Libbey Citation 6½-oz round wine	3,248	6.93	22,508.64
10	3033099 Durand s/nbl 12-oz Savoie wine	1,546	13.05	20,175.30
11	682 Libbey Citation white wine 11-oz	2,772	6.93	19,209.96
12	860 Libbey 9-oz Tulip champagne	7,770	2.43	18,881.10
13	3033057 Durand s/nbl 12¾-oz ballon wine	1,423	13.05	18,570.15
14	905 Libbey Chivalry cooler 4-pk	3,312	5.40	17,884.80
15	151 Anchor Hocking stor jar w/wood lid 1-liter	4,385	4.05	17,759.25

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	0707 General Housewares Canner w/Rack 21 qt	11,131	17.99	200,246.69
2	M1697-43 Mirro Set SilvrStn/Almd Ex	2,604	62.95	163,921.80
3	50324C Nordic Bundt + Plsbury Cake	11,759	9.89	116,296.51
4	2701 Revere SS/CB Kettle Whist 2.3 qt	4,672	18.90	88,300.80
5	M076-43 Mirro 2 pc Skit Set-SlvrSt/Almd	3,052	26.95	82,251.40
6	3501 Revere SS/CB Kettle Whist 3.5 qt	3,138	25.20	79,077.60
7	W0786-3 Mirro Wrtmore Slv 10" Saute Pan	6,216	9.89	61,476.24
8	1121 Revere SS/CB Ktl Whistl 6 Cup	3,275	17.10	56,002.50
9	37056 T-Fal 10" Fry Pan Rouge	5,364	9.88	52,996.32
10	51199 Nordic 12C Formed Bundt Asst	6,378	7.82	49,875.96
11	64100 Ekco Baker's Scrt md ckie sht 15x10	14,119	3.50	49,416.50
12	26030 Wear-Ever Pref SlvrStn 10" Chf fry pan	4,542	10.79	49,008.18
13	0509 Gen Housewares Granite oval rstr 15 lb.	3,467	13.50	46,804.50
14	64330 Ekco Baker's Scrt obl utility pan 13x9	12,657	3.50	44,299.50
15	99071 Ekco Baker's Secret 4-items w/display	14,018	3.14	44,016.52
	CORNING			
1	F-260-S French white set (f-2&f-6)	2,592	26.99	69,958.08
2	F-370-S French white 10-pc hostess set	852	74.69	63,635.88
3	F-330-S French white 3-pc set	1,549	40.49	62,719.01
4	F-21 Roaster French white	2,105	24.74	52,077.70
5	A-300-8 Starter Set Spice	846	50.39	42,629.94
6	F-2 2½-qt oval casserole/lid white	2,172	19.34	42,006.48
7	A-300-7 Kitchen Starter Set Wild Flower	727	50.39	36,633.53
8	F-3 10" Pie/quiche white	3,007	11.69	35,151.83
9	A-500-8N Chef Master set Spice	407	85.49	34,794.43
10	F-1 2½-qt Round casserole/lid white	1,661	19.34	32,123.74
11	A300-8S Starter Set spice	537	50.39	27,059.43
12	F-8 Pie plate/quiche French white	3,003	8.99	26,996.97
13	P-104-8 6-cup Teapot Spice	1,189	20.24	24,065.36
14	P-1420 Counter saver large white	884	25.19	22,267.96
15	A-10-8 10½" Skillet Spice	986	22.49	22,175.14

(Continued on page 40)

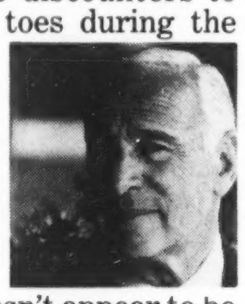
PMA®

PRODUCT MOVEMENT AUDIT

Coast Rx: Cut Stocks, Up Promos

By JERRY FALK
Executive Vice President, Bacar, Distributors

The economic climate is going to force discounters to stay on their toes during the first half of 1983. While this selling period ought to be considerably better than the first half of last year, there doesn't appear to be the much-heralded economic rebound in the wings.



Instead, the West Coast housewares business is seen as continuing the tough-to-get, but achievable, pattern established in the second half of 1982.

The formula most discounters relied on to achieve planned sales was to reduce inventory levels—leaning on distributors and manufacturers who could keep the fill-ins coming quickly—and increase their promotional levels.

Bacar, like other distributors, took its cues from customers. For instance, we increased the promotions offered during 1982, emphasizing items to retail between $5 and $10. This tack paid off at the distributor and retail levels, and the same strategy will prevail during the first half of 1983.

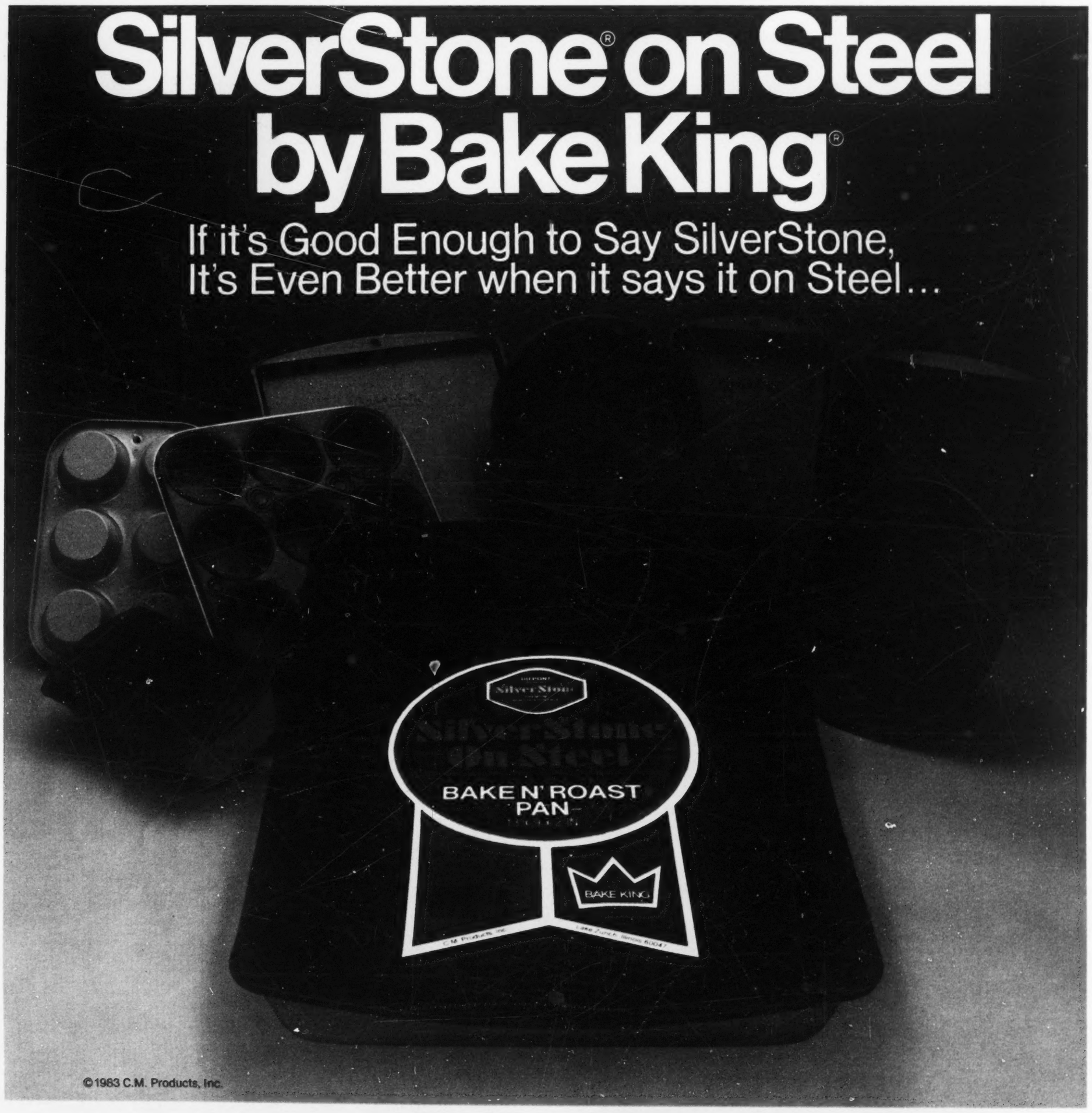
The Other View

While uncertainty in the economy will remain a strong influence on housewares inventory and promotional levels, there are positive signs creating a healthier housewares climate.

The drop in interest rates, beginning during the summer, immediately picked up northern California real estate sales. That, in turn, brought an almost immediate benefit to the area's housewares activity. If interest rates stay at manageable levels for potential home buyers, discounters could reap significant housewares sales increases with the right combination of promotions and trade-up merchandise.

The search for the right combination was set to have its impact on discounters' approach to the January housewares show in Chicago. The scenario (at presstime) looked like this: Larger store contingents will probably hit McCormick Place and then fan out for serious discussions with their vendors. These negotiations won't just be about wrapping up plans for the first half. Most discounters are ready to start talking about the third quarter, particularly to be sure manufacturers are thinking in terms of offering strong promotional items for that selling period, in sufficient time for them to be incorporated into advertising plans.

(Continued on page 40)


SilverStone® on Steel by Bake King®
If it's Good Enough to Say SilverStone,
It's Even Better when it says it on Steel...
BAKE N' ROAST PAN
BAKE KING
©1983 C.M. Products, Inc.

The newest and the best bakeware surface meets the oldest and the best bakeware metal. Dupont's SilverStone premium non-stick surface allows for easier de-panning, faster clean-up and a longer lasting finish. Steel has been preferred in commercial bakeries for over a century and the non-stick enamel exterior is finished in a contemporary almond color. SilverStone on Steel bakeware by BakeKing...it will ring up royal results in your store. For more information: Call 800-323-0422 or write SilverStone on Steel, C. M. Products, Inc. 800 Ela Road, Lake Zurich, Illinois 60047.

SilverStone® on Steel
The Crowning Touch on Bakeware Today

DU PONT APPROVED SilverStone PREMIUM NONSTICK SURFACE

BAKE KING®

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 38)			
	PYREX			
1	2221-FN Party Server 1	2,916	26.99	78,702.84
2	233 3-qt Oblong bake dish	10,753	6.74	72,475.22
3	234 4-qt Oblong bake dish	7,572	8.81	66,709.32
4	115-S Hurricandle	7,768	8.09	62,843.12
5	2112-S 8½" Hurricandle pair	3,203	16.19	51,856.57
6	233-N-S 3-qt Baking dish	9,586	5.39	51,668.54
7	3515-S 1½-liter Juice jug	11,217	4.22	47,335.74
8	704-S 4-qt Oval bake dish	4,216	10.79	45,490.64
9	516 16-oz Liquid measure	14,720	2.96	43,571.20
10	233-F Fireside 3-qt utility dish	5,412	7.19	38,912.28
11	508 8-oz Liquid measure	16,331	2.33	38,051.23
	MICROWAVE			
1	62304 Nordic Micro-Go-Round	4,130	50.39	208,110.70
2	PM40012 Anchor Hocking set	2,014	32.62	65,696.68
3	P150-BPS Corning Grab-It	10,722	6.07	65,082.54
4	63204 Nordic bacon/meat rack	7,946	8.09	64,283.14
5	MW-2 Corning browning grill	1,972	29.24	57,661.28
6	MW-A-10 Corning 10" covered browning skillet	1,428	28.34	40,469.52
7	PM469T1 Anchor Hocking bacon rack	5,939	6.52	38,722.28
8	61604 Nordic large grill sheet	3,126	11.69	36,542.94
9	486 Microette plate covered clear	5,214	6.02	31,388.28
10	MW-11-S Corning Little Sizzler	1,442	18.45	26,604.90

(Continued on page 43)

Copper items, particularly teakettles, got the nod for expansion with trade-up efforts by discount chains. Hard lines specialist Lechmere featured Revere Ware models in Dedham, Mass. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

Coast Rx

(Continued from page 38)

Between working on current and long-range plans, this January's show won't be as much of a social showing as in seasons past, but one in which retailers and manufacturers put their heads together for serious planning.

This Product Movement Audit covered the first 11 months of 1982. In the dinnerware category, dominated by Corning merchandise, Dimensions IV dinnerware remained the strongest seller in the northern California market.

In this group, the No. 1 seller was the color cinnamon; right behind it was the color slate, a late 1981 color introduction that was immediately well-received by retailers and customers.

More Winners

Both the higher-priced Dimensions IV and Expressions dinnerware continued to outsell the lower-priced 16-pc. Corelle sets on the West Coast.

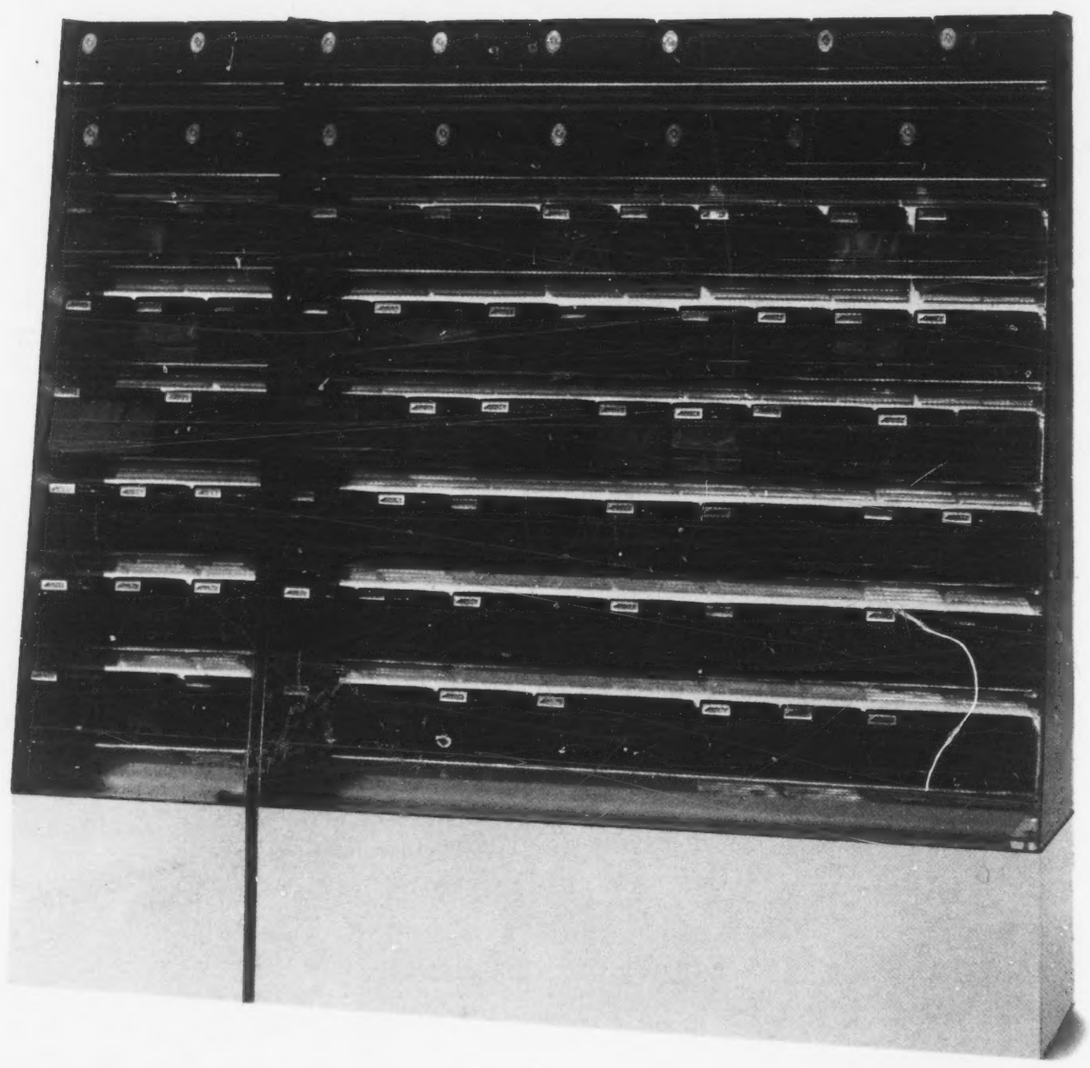
One major change in this audit was the appearance of five Corelle open-stock pieces among the top 15 sellers.

Discounters are finding bigger slices of their dinnerware sales coming from open-stock sku's now that Corning is making them more readily available. The merchandise is also racking up higher margins than the 16-pc. set business, since the open stock is less price-competitive than the frequently advertised—by discounters and catalogers—set business.

Most catalogers don't carry the open-stock items. Most dis-

(Continued on page 43)

You'll feel the difference when you feature Amity.



Amity is the proven leader in personal leather accessories.

A survey was conducted among the leading discount and drug chains plus catalog showrooms* – the results placed Amity on the top in leadership and quality. It indicated that Amity was the most widely carried brand of men's and women's billfolds by an overwhelming majority. And, of all the brands carried, Amity rated the highest in quality merchandise.

Amity also rated at the top in terms of advertising support – including half-page four color ads in leading national magazines – packaging and merchandising. All this makes Amity number one in terms of supporting you, with the kinds of materials and products necessary to generate traffic and increase your profits.

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Part of being a leader is staying ahead in the marketplace. This year Amity is offering "transparent merchandising" in the form of new, see-through displays that make it easy for your customers to see all Amity has to offer. These displays are modern and reflect the look of the 80's. They are available in three sizes to fit your stores' needs and can be arranged in several configurations. All to maximize your customer's attention and stimulate profits.

When you carry Amity, you carry the nationally advertised leader. And that's a difference you can feel.

AMITY®

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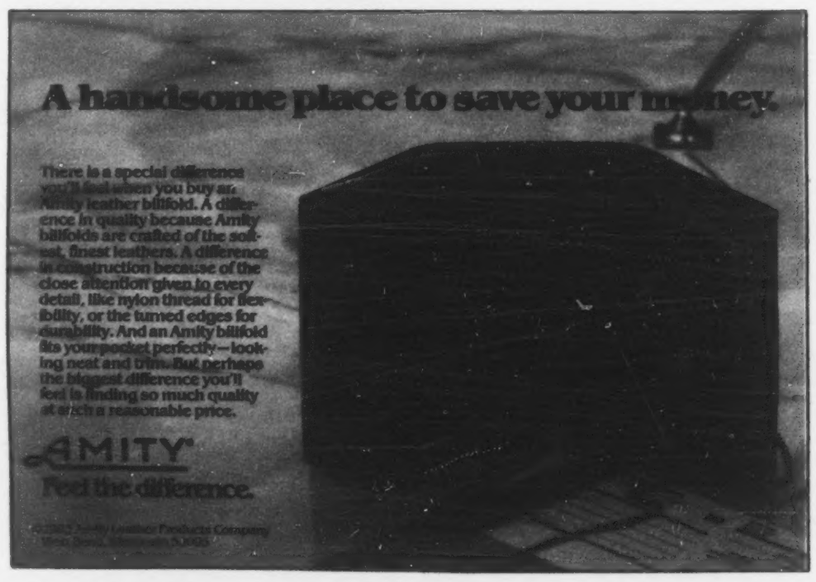
*Study conducted by independent research organization, The Research Group, Inc., August, 1982.


A handsome place to save your money.
There is a special difference you'll feel when you buy an Amity leather billfold. A difference in quality because Amity billfolds are crafted of the softest, finest leathers. A difference in construction because of the close attention given to every detail, like nylon thread for flexibility, or the turned edges for durability. And an Amity billfold fits your pocket perfectly—looking neat and trim. But perhaps the biggest difference you'll feel is finding so much quality at such a reasonable price.
AMITY
Feel the difference.

FTC Abandons Many Probes Of Price-Fixing

WASHINGTON—Federal Trade Commission antitrust enforcers have terminated a series of investigations into suspected anticompetitive pricing practices by key discount store industry suppliers.

The most recent action terminates an FTC resale price maintenance (RPM) probe of Elizabeth Arden. In closing that resale price fixing investigation, Commission officials indicated that their probe also focused on alleged discriminatory promotional allowances by the cosmetics firm.

A separate RPM investigation involving at least two other manufacturers—Long Island City-based Ventura Travelware and Fieldcrest Mills of Eden, N.C.—was also terminated with no action by the agency's Bureau of Competition.

In addition, FTC's Los Angeles regional office terminated yet another pricing investigation, this one involving "alleged discrimination in promotional

(Continued on page 43)

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Coast Rx

(Continued from page 40)

counters carry but don't advertise the open stock; they find that just putting it on the shelf, having it available, is enough to build significant sales.

Another important item, one that's variously included in either the dinnerware or glassware category, is J. G. Durand's Rosaline 16-pc. hostess set. The pink Rosaline pattern continues to be a strong seller in a variety of items.

In dinnerware the hostess set ranked No. 6 among the top 15, moving up from No. 15 in an earlier audit covering the first quarter of 1982.

In glassware, Rosaline items in stemware ranked Nos. 5 and 6.

With the completion of its domestic manufacturing facility, Durand has become a growing factor in the glassware category, offering excellent quality, usually at lower than typical domestically made glassware price points. Durand has shown strength in a glassware look that's still picking up steam among discounters: clear glassware with a cut-glass look.

Strengths Examined

Notable in the current glassware audit is the clout of stemware, with a variety of items from Libbey and Durand taking 11 of the top 15 spots.

The No. 1 seller in the category was Anchor Hocking's 1-gallon sun tea jar.

A new glassware source has been added to the Bacar lineup for 1983. That's Wheaton, with its program of new packaging for beverageware. The strength of the new packaging is that regardless of the size of the glass, each package is the same width. This means discounters presenting glassware on a gondola

(Continued on page 45)

FTC Abandons

(Continued from page 40)

allowances in connection with the sale of soft drinks" by competing Phoenix-based bottlers of Coca-Cola, Pepsi-Cola, and Seven-Up.

Earlier this year FTC enforcers told Congress that more than 100 RPM and pricing discrimination investigations had been terminated without action since the Reagan Administration took office.

In each case, the manufacturer affected received a letter from the agency emphasizing that while "it now appears that no further action is warranted by the Commission at this time," FTC "reserves the right to take such further action as the public interest may require."

In addition, those letters stress that FTC's decision to terminate the investigation "shouldn't be construed as a determination that a violation may not have occurred, just as the pendency of an investigation" isn't an indication of any wrongdoing by the firm.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 40)			
	PLASTICS			
1	364 Loma 32-gal garbage can green	4,344	11.69	50,781.36
2	156 Freezette uprite set 1-qt	10,704	2.96	31,683.84
3	154 Freezette uprite set 1-pt	10,580	2.96	31,316.80
4	155 Freezette uprite set 1.5-qt	9,526	2.96	28,196.96
5	60061 Cadence Stemrak clear acrylic	4,715	5.84	27,535.60
6	5127 Freezette pitcher bonus	6,728	3.94	26,508.32
7	153 Freezette uprite set ¾-pt	6,408	2.96	18,967.68
8	109 Arrow 16-oz Rainbow tumbler	27,781	0.62	17,224.22
9	1048 Spray bottle-pint 16-oz	11,604	1.43	16,593.72
10	2757 Superseal 2-qt decanter clear	9,150	1.79	16,378.50
11	152 Freezette uprite set ½-gal	5,512	2.96	16,315.52
12	139 Freezette large flat 9.5-qt	2,400	6.29	15,096.00
13	338 Freezette snap-lock flat 7¼-qt	3,120	4.49	14,008.80
14	333 Freezette snap-lock container 1¼-qt	8,624	1.61	13,884.64
15	335 Freezette snap-lock flat 2½-qt	7,617	1.79	13,634.43
	RUBBERMAID			
1	2894-C Rough Neck round can 32-gal, chocolate	4,263	25.64	109,303.32
2	2894-A Rough Neck round can 32-gal, avocado	3,419	25.64	87,663.16
3	2965-C Rectangular laundry basket, chocolate	10,538	5.75	60,593.50
4	2936-AL Single turntable, almond	19,577	2.51	49,138.27
5	2869-B Ice tray blue-shrink pack	48,564	0.98	47,592.72
6	2311-AL Side-out drawer 16", almond	4,230	11.06	46,783.80
7	2309-AL Slide-out drawer 12", almond	4,257	10.16	43,251.12
8	2937-AL Twin turntable, almond	9,894	4.31	42,643.14
9	2965-C Rectangular laundry basket, almond	7,166	5.75	41,204.50
10	2858-C Step-on w/basket, chocolate	3,164	12.95	40,973.80
11	6032-AL Deluxe dish drainer wire, almond	6,215	6.29	39,092.35
12	1181-AL Drain tray 15x20, almond	9,055	4.31	39,027.05
13	2845-C Small rectangular wastebasket, chocolate	7,949	4.76	37,837.24
14	2979-C Rough Neck rectangular can 30-gal	1,454	25.64	37,280.56
15	2302-AL Stor turntable 19x21, almond	4,932	7.37	36,348.84

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	789 Steamer basket stainless 3-qt	18,301	4.27	78,145.27
2	29035 Rhodes timer short ring almond	9,089	8.05	73,166.45
3	407-C21# Swing-A-Way hand can opnr choc	9,768	4.67	45,616.56
4	280 Foley jar lifter coated	10,238	4.13	42,282.94
5	407-H21# Swing-A-Way can opener harvest	8,685	4.67	40,558.95
6	107-21 Swing-A-Way junior hand can opener	15,209	2.42	36,805.78
7	143 Foley nylon baster	24,206	1.52	36,793.12
8	CB-33 P/I copper 3-tier hang basket	3,981	8.10	32,246.10
9	3100 American Family diet scale	5,319	5.75	30,584.25
10	99100 Ekco kitchen tool & gdgt assrtd 600-pc	33	894.02	29,502.66
11	722 Chaney fry-jelly-candy therm	14,259	1.97	28,090.23
12	3119 Bromwell grater s s larg square	6,659	3.95	26,303.05
13	101 Foley food mill 2-qt	2,206	11.68	25,766.08
14	710 Grayline jumbo shelf 16x5x8	6,449	3.95	25,473.55
15	3000 American Family household scale white	1,874	13.45	25,205.30
	CLOSET & STORAGE			
1	4000 McMillin 1-pc wire shoe rack	7,704	3.14	24,190.56
2	BT-100 A & E plastic tubular hanger, brown	46,552	0.22	10,241.44
3	BT-100 A & E plastic tubular hanger, beige	45,874	0.22	10,092.28
4	BT-100 A & E plastic tubular hanger, white	38,612	0.22	8,494.64
5	BT-100 A & E plastic tubular hanger, yellow	37,146	0.22	8,172.12
6	195/7 Wil-Hold large storage box	1,002	6.74	6,753.48
7	V8000-10 A & E set 10 d/dry hanger wire/vinyl	4,125	1.43	5,898.75
8	195/6 Wil-Hold small storage box	1,026	5.57	5,714.82
9	619 Wall skirt hanger set 3 metal	2,506	2.06	5,162.36
10	W6131-C A & E set 2 skirt hanger wood	2,670	1.79	4,779.30
11	W6132-C A & E set 2 slack hanger wood	2,651	1.79	4,745.29
12	W600-6 A & E set 4 dress hanger wood	2,277	1.79	3,986.33
13	N5041-C3 A & E set 3 suit hanger w/clip clear	1,751	2.06	3,607.06
14	622 Wal Over-door hanger	1,776	1.70	3,019.20
15	195/5 Wil-Hold shoe box/vanilla lid	1,320	2.06	2,719.20

(Continued on page 45)

Now,
the thirteen most indispensable
microwave accessories are found in
one complete line.
MICROAIDES
The Perfect Popper
Easy
Efficient
Fast
Clean
End the confusion. Use Microaides™
Good news: the thirteen most popular microwave accessories, those most used and most sought after, are available in one line, Microaides. You don't have to stock thirteen different lines to get the thirteen pieces your customers are looking for; you can do it all with Microaides. And you can stock quality: Microaides, molded out of spaceage Microsite,™ cook faster than ceramic or glass, clean up faster than any other product and carry our Five Year Guarantee against chips, cracks or breaks.
And every Microaides accessory from roasting pans to our popular new popcorn popper offers visual packaging so the customer can see and touch the cookware itself. So that you can benefit fully from planned shopping and impulse purchases.
End the clutter and confusion with one well-researched, straight-forward, top quality solution: Microaides.
Visit us at the Housewares Show, Booth 4332-4339.

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Coast Rx

(Continued from page 43)

run will be able to present the merchandise in a neat, same-size, vertical ribbon effect.

The tough economy has had a predictable effect on the cookware category by keeping the General Housewares canner in the top slot throughout the year.

Another very successful item in the category—in fact, a complete sellout—was the Nordic bundt pan, promoted with a Pillsbury cake mix. With the strong past history of the promotion, Bacar plans to offer this promotional combination again, at its own show in March, in time for Mother's Day

In the bakeware segment, it's still too soon to determine where the dust will settle following the introduction of the SilverStone finish on aluminum bakeware. Since the merchandise didn't hit the shelves until November, most distributors and discounters are still adding resources and price points, to determine the areas of greatest volume potential.

Important Role

The SilverStone bakeware entries have been selling, but the well-established Ekco's Bakers Secret line has remained strong. Another candidate for the SilverStone bakeware lineup is the nonstick finish over steel from Chicago Metallic, which Bacar is considering adding for 1983.

On the West Coast, the microwave cookware category has been strong, and it's still growing.

So far, nothing has come along to bump the Nordic Micro-Go-Round out of the No. 1 ranking. Corning's "little dishes," like the Grab-It and the Sidekick, continue to bring in big unit volume. Anchor's sets and individual pieces remain a big customer draw, especially when price-promoted.

Rubbermaid has thrown its hat into the ring for a share of the growing microwave cookware market, its first venture into any cookware segment. Bacar is adding the line—an all-white assortment in plastic—to its 1983 inventory. Given Rubbermaid's strong consumer franchise in northern California, the manufacturer may quickly become an important factor in microwave cookware.

Glosser's Profits Up 54% in Qtr.

JOHNSTOWN, Pa.—Glosser Brothers reported a 53.5% earnings rise and a 15.5% sales gain for the third quarter of 1982.

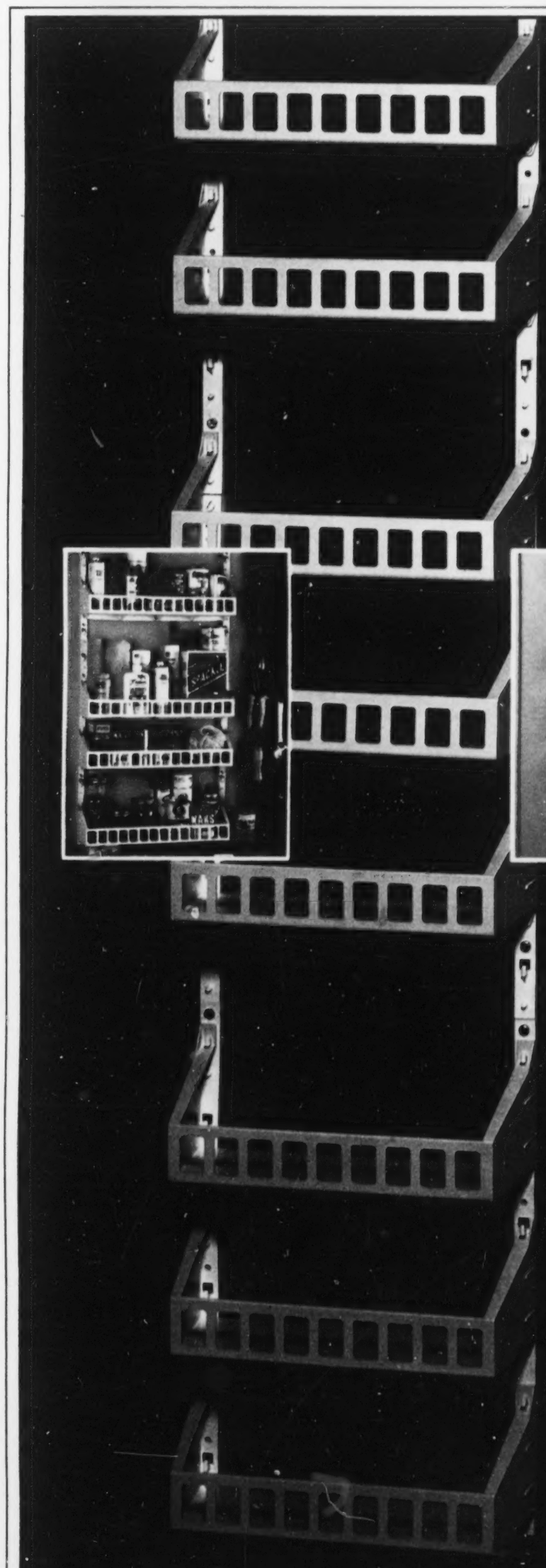
Sales for the 13 weeks ended Oct. 30, 1982, reached $55,077,676. Earnings hit $1,103,597.

The sales increase was attributed, in part, to the Chambersburg Gee Bee unit, which opened in March of '82, and the U-Save Food Warehouse that opened in Altoona a month earlier.

When Best, the Richmond-based cataloger, moved into domestics, it took bath merchandise out of the housewares area and set up shop adjacent to the domestics department, as in the Plantation, Fla., store. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 43)			
	BATH SHOP			
1	1107 Grayline king size shower caddy	16,548	5.12	84,725.76
2	1101 Grayline small shower caddy	6,372	3.14	20,008.08
3	C-441 Selfix shampoo spray	9,009	2.06	18,558.54
4	3306PM Borg scale wicker natural	642	18.89	12,127.38
5	443 Selfix portable wall/hand shower	1,235	9.62	11,880.70
6	3300PM Borg scale square, almond	681	16.19	11,025.39
7	3300PM Borg scale square, brown	642	16.19	10,393.98
8	2525LM Borg scale oval, almond	410	25.19	10,327.90
9	3306PM Borg scale wicker, brown	491	18.89	9,274.99
10	7210LM Borg scale rectangular, brown	400	21.59	8,636.00
11	2525LM Borg scale oval, brown	337	25.19	8,489.03
12	7210LM Borg scale rectangular, white	371	21.59	8,009.89
13	3300PM Borg scale square, gold	480	16.19	7,771.20
	CLEANING/CHEMICALS			
1	P203-TUB Willert bulk t/bowl deodorizer assrtd	54,072	0.62	33,524.64
2	900 National corn broom economy	7,229	4.04	29,205.16
3	2-YD Curity cheese cloth 2-yard package	18,600	1.07	19,902.00
4	7274 O-CEL-O sponge hand size 4-pack/bp40	18,552	0.89	16,511.28
5	19-645 Ballonoff copper dustpan	8,830	1.70	15,011.00
6	1185 Roll-O-Matic sponge mop	1,291	10.97	14,162.27
7	057# Quickie automatic roller mop	1,498	8.54	12,792.92
8	045 Quickie automatic sponge mop	1,691	7.37	12,462.67
9	F-20 Willert enoz moth ball 1-lb box	6,754	1.70	11,481.80
10	E-30 Willert enoz moth ball 10-oz box	7,014	1.61	11,292.54
11	T-16 F & G Vacuum bag Eureka Upright	12,340	0.90	11,106.00
12	7 White 16" black dust pan	1,836	5.93	10,887.48
13	901 White 12" black dust pan	3,612	2.96	10,691 52

Source: Figures, for January through November 1982, were supplied by Bacar, distributor, San Jose, Calif., and cover 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.



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Designed to hold heavy loads, these solid bottom slot front shelves mount securely and snugly on walls or doors.

And shelf control offers 8-shelf units, as well as 4-, 3-, 2- and 1-shelf units, all in 12" or 18" width, a remarkable selection for one 4' display.

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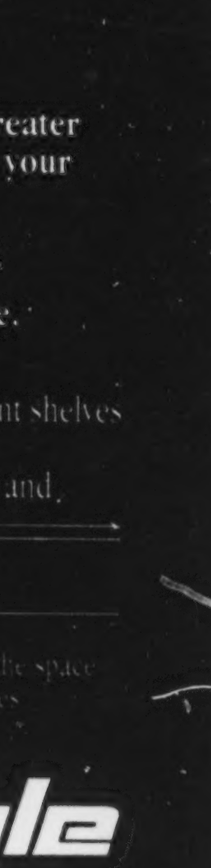

Shelf Control displays require the space required by steel shelves.

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Eagle

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502-742-5611

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	STYLER/DRYERS			
1	Sassoon VS210 pro midsize styler	5,556	12.43	69,061.08
2	Conair 091 pro 1500 wtt, w/attach	3,000	22.51	67,530.00
3	Conair 084 mini pro 1250 wtt	5,230	11.65	60,929.50
4	Northern 1881 pro blwr dryr 1200	5,675	10.48	59,474.00
5	Dazey HD61 hard hat hair dryr	1,280	42.69	54,643.20
6	Windmere B21T pro dryr Boss 1250 wtt	3,812	12.06	45,972.72
7	Shetland 3051 Visa 1200	5,605	8.20	45,961.00
8	Northern 1871 fold mini 1200 wtt	3,526	10.23	36,070.98
9	Clairol CH-1Z Dry Guy	1,773	19.04	33,757.92
10	Gillette 0200 Supermax pro 1300	3,289	10.13	33,317.57
11	Windmere DD1 Dynamic Duo	2,622	11.26	29,523.72
12	Shetland 3080 Hatchet dryr	2,156	13.58	29,278.48
13	Northern 1892, 1000 wtt	1,793	14.43	25,872.99
14	Conair 085 pro, 1250 wtt	1,451	17.71	25,697.21
15	Conair 099 Pistol Power 2 spd 1200 wtt	2,177	11.46	24,948.42
	CURLING BRUSHES & WANDS			
1	Conair CB200 New Twist combo	6,523	11.33	73,905.59
2	Conair BC-10X crlng brsh	8,212	8.56	70,294.72
3	Gillette 2620 Clicker	3,153	20.78	65,519.34
4	Windmere SM1 Skinni Mini	10,880	5.11	55,596.80
5	Conair CD11 Curls N Curls irn	9,764	5.10	49,796.40
6	Norelco CC114/HB1600 Curl Q. mist	3,596	10.53	37,865.88
7	Shetland 6001 crlng brsh	6,520	5.73	37,359.60
8	Northern 2334-2 pro chrome irn	6,006	5.08	30,510.48
9	Windmere HCB1 hot crlng brsh	3,252	7.28	23,674.56
10	Windmere RBB1 Aber curl Dabra	1,506	11.83	17,815.98
11	Shetland 975 Three-To-Go kit brsh/irns	1,563	10.81	16,896.03
12	Clairol C 200 Crazy Curl	1,279	12.24	15,654.96
13	Northern 2337-2 pro styling brsh	2,386	6.43	15,341.98
14	Sassoon VS101 pro crlng irn	1,666	8.25	13,744.50
15	Windmere Spit nonstick crlng irn	2,349	5.24	12,308.76

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AIR CLEANERS			
1	Norelco HB1900 Clean Air Machine	7,608	19.83	150,866.64
2	Pollenex 699 Pure Air Machine	4,323	23.44	101,331.12
3	Conair E-1 Clean Air/Air Purifier	3,995	13.60	54,332.00
4	Norelco HB1920 Clean Air Machine II	1,464	31.73	46,452.72
5	Norelco CAF2 Clean Air fltr	7,641	2.65	20,248.65
6	Pollenex FP699 fltr for Pure Air	3,810	3.43	13,068.30
7	Conair UFO-1 Clean Air fltr 2 pk	2,916	3.28	9,564.48
8	Norelco CAF10 Clean Air Machine II fltr	1,788	3.95	7,062.60
	COFFEEMAKERS			
1	Proctor 415AL/A301 10 cp drip	10,658	21.69	231,172.02
2	Norelco 5185 10 cp	4,818	25.54	123,051.72
3	Hamilton Beach 791 12 cp	3,830	21.69	83,072.70
4	Regal K7508WH Polly perc 8 cp	7,331	11.24	82,400.44
5	Hamilton Beach 784 mini drip	4,273	16.55	70,718.15
6	North American CM1/CM1Z 10 cp	2,405	28.50	68,542.50
7	West Bend 58030 30 cp alum	1,852	20.64	38,225.28
8	West Bend 9466 perc 9 cp plshd	2,196	13.76	30,216.96
9	Norelco HB5192B 12 cp w/clck tmr	504	51.64	26,026.56
10	Proctor 510W/501W 12 cp w/dgtl tmr	299	46.31	13,846.69
	TOASTERS & OVENS			
1	Toastmaster B700 blck end tstr	12,023	12.75	153,293.25
2	Proctor T522B, 4 slc	5,833	22.08	128,792.64
3	Proctor T220AL, 2 slc	7,560	14.78	111,736.80
4	Toastmaster 5244 dlx slf clng ovn	1,737	55.86	97,028.82
5	Proctor T620B, 2 slc	6,817	13.00	88,521.00
6	Toastmaster D126, 4 slc	3,080	24.08	74,166.40
7	Toastmaster 330/380 ovn tstr slf cln	1,290	51.75	66,757.50
8	Proctor T2000 auto size adjst	1,815	27.76	50,384.40
9	Proctor T009N dlx 4 slc	1,018	36.36	37,014.48
10	Toastmaster B701 prom alum 2 slc	2,343	14.40	33,739.20

(Continued on page 58)

PRODUCT MOVEMENT AUDIT

Electrics Rebates Pruned

By HOWARD BOBROFF
President,
Stem-Nickman Distributing

Two trends bear watching in traffic electrics in 1983: the cutbacks in rebates and the intense competition in the hair care category. First, manufacturers are beginning to take significant swipes at their levels of rebate offerings. Companies like Sunbeam, Norelco, Oster, General Electric, Dazey and Proctor Silex have taken the lead in getting away from across-the-board rebates that accompanied virtually every item in the line at some point during the selling season.

Most of the rebate cutbacks are on kitchen, not personal care, electrics.

The new strategy from several companies is to attach rebate offerings to approximately 20% fewer items in the line. Manufacturers are attempting to keep the rebates with the prod-

(Continued on page 58)

FTC Blasts 'Price-Fixing' By Truckers

WASHINGTON—That massive trucking industry deregulation bill passed by Congress two years ago has yet to produce substantial freight cost savings for discount store chains or other retail industries, Federal antitrust officials charged.

Although shippers have realized some cost savings as a result of the deregulation measure and subsequent Government actions to readjust the "fuel surcharge" added to motor carrier freight rates, the full benefits of these changes won't materialize until "legalized price-fixing" by truckers is abolished, Federal Trade Commission analysts maintained.

Problems Seen

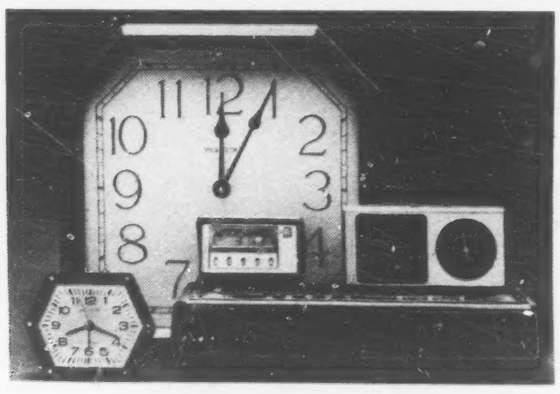
Specifically, FTC officials are concerned over the activities of regional motor carrier rate-setting boards which recommend increases in maximum freight charges to the Interstate Commerce Commission.

Although I.C.C.—not the rate bureaus—has final say over interstate trucking rates, FTC contends these private boards, composed of competing motor carriers, exert enormous influence over the agency's decisions.

A recent FTC study con-

(Continued on page 58)

It's a Prime Time year at Westclox.® *Westclox is doing more than ever to make this a Prime Time sales year for you. We're introducing exciting new products with competitive price points. And bringing back Blockbuster, T.A.P., and 60/40—our sales proven, budget-extending dealer co-op programs. So call your Westclox representative today, and tell him you want to get in on the good times.*



Westclox leads the way to good times.™

Visit our booth #4362-4365 at the National Housewares Exposition.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement

(Continued from page 56)

FOOD PREPARATION

1	Hamilton Beach 702/707 fd prcsr, almd	3,338	49.18	164,162.84
2	Sunbeam 14-56 fd prcsr, almd	1,391	43.23	60,132.93
3	Sunbeam I-78 dlx stnd mxr, almd	516	74.80	39,596.80
4	Waring HS15-8/3/9 stnd mxr 12 spd	998	26.06	26,007.88
5	Hamilton Beach 34KAL stnd mxr	562	43.50	24,447.00
6	Oster 980-16 ktchn cntr, almd	117	178.81	20,920.77
7	Waring HS9-8/HS9-1 stnd mxr	642	25.98	16,679.16
8	Hamilton Beach 43G stnd mxr w/dgh hk	229	47.53	10,884.37

HAND MIXERS

1	Hamilton Beach 97 AL hnd mxr	5,522	13.48	74,436.56
2	Waring HM111-8 5-spd almd	4,836	12.95	62,626.20
3	Waring HM12-8 12-spd almd	2,598	17.16	44,581.68
4	Sunbeam 3-76/3-71 almd	1,299	26.01	33,786.99
5	Sunbeam 3-16	1,412	14.39	20,318.68

SLOW COOKERS

1	Rival 3150 Crock Pot 3½ qt	3,792	24.26	91,993.92
2	Rival 3350H Crock Pot 5 qt	2,767	29.99	82,982.33
3	Rival 3100 Crock Pot 3-qt almd	5,676	14.29	81,110.04
4	Rival 3355H/3355V 5-qt Crock Pot	3,413	23.23	79,283.99
5	Struhl 2306x/2306 alum Hot Pot, asst	15,870	4.81	76,334.70
6	Regal K7427WH Hot Pot	6,141	10.76	66,077.16

(Continued on page 60)

Rebates in kitchen electrics are dwindling. Manufacturers are planning some 20% fewer items with rebates this year, which could change the look of stackouts like this one at Caldor, Fairfield, Mass. *(DSN photo)*

PIMA®

PRODUCT MOVEMENT AUDIT

Electrics

(Continued from page 56)

ucts where it makes some sense.

For instance, a rebate could accompany new product introductions or items that need the stimulus of a lower "final cost" advertised to move the merchandise.

In some cases, the amount of the rebate offered per product will be going up; at the same time, the total number of products with a rebate offer will be going down.

The Final Word

The important fact is that the shotgun approach to rebates as a selling concept looks like it's on the way out. Rebates, however, are still far from an extinct species as an integral part of the traffic electrics business.

In the hair-care electrics area, one manufacturer stands out as a candidate for the hypothetical "line with the most drastic changes for 1983" award. That's Norelco with its Chic line. For '83, Norelco has expanded the line and priced it so that it will be competitive against any branded or non-branded line in the market.

With its strong prices and extensive rebate offerings—plus a brand name that has consumer recognition—Norelco is making an all-out effort for market share.

Further Considerations

Competitors in the category obviously don't want to give up market share, so they've reacted to the prices offered by Norelco with price cuts of their own.

The end result of this struggle is going to be very attractive price promotions for retailers and customers, particularly in the growing, less-expensive, curling brush and wand segment.

Here, there won't be anything unusual about after-re-

(Continued on page 60)

FTC Blasts

(Continued from page 56)

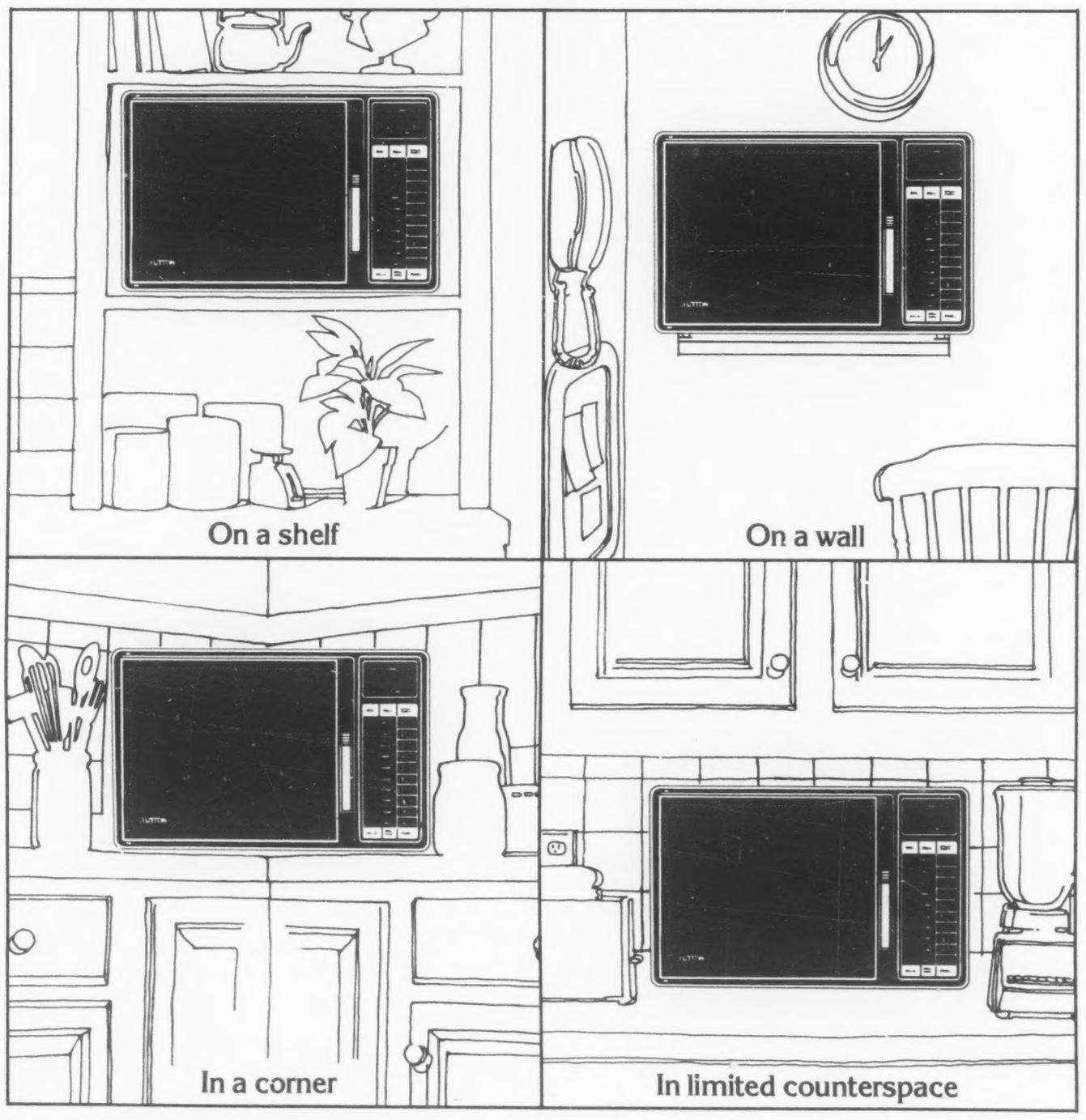
cluded the overwhelming majority of rate hike recommendations from regional bureaus are rubber-stamped by I.C.C.

Ordinarily, a group of competitors meeting behind closed doors to agree upon prices would be considered a violation of the Federal antitrust laws. Motor carrier rate bureaus, however, are specifically exempt from these restrictions on price-fixing.

Reagan Administration FTC officials consider this exemption a serious "loophole in the antitrust laws" and have urged Congress to eliminate the present price-setting immunity for regional rate bureaus.

Until this "loophole" is closed, one FTC attorney told *Discount Store News*, "retailers and consumers will continue to pay uncompetitively high freight costs."

Litton's new compact "Go-Anywhere"™ Microwave Ovens go anywhere.



The Litton Edge:

- A complete and separate line of four models.
- Choice of electromechanical or deluxe electronic models.
- The Litton name at value price points.
- Outstanding styling.
- Perfect for your customers who have space limitations.
- Goes almost anywhere—on a kitchen shelf or wall or in a dorm, a rec room or patio. Weighs only 43 pounds.
- Unique bracket allows wall mounting.
- Full 500 watts of cooking power in a .8 cu. ft. oven.

Your customers will see Litton's advertising on TV and in major consumer magazines like Family Circle, Good Housekeeping, National Geographic, 1001 Home Ideas and Redbook.

Nobody knows more about microwave cooking than Litton.

LITTON

©1983 Litton Systems, Inc.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 58)			
	BLENDERS			
1	Hamilton Beach 600 7-spd alum	3,996	23.18	92,627.28
2	Waring BL590 7 spd	3,612	23.76	85,821.12
3	Oster 890-16 10-spd alum	2,481	28.49	70,683.69
4	Hamilton Beach 651 blndr pls 14-spd alum	1,781	30.49	54,302.69
5	Hamilton Beach 640G 14 spd	1,091	34.04	37,137.64
6	Waring BL2081	1,201	23.04	27,671.04
	FRYING PANS			
1	Betty-G CF53 5½-qt ckr fryr	9,743	19.13	186,383.59
2	West Bend 1440 skit w/SilverStone	2,849	35.09	99,971.41
3	Hamilton Beach 2121 Fry All	4,594	20.36	93,533.84
4	West Bend 72119 Rockcote frypn	3,555	25.80	91,719.00
5	West Bend 72109 sklt/SilverStone 11"	1,544	33.58	51,847.52
6	Presto FDF1 Fry Caddy fryr 4 cp	1,704	28.65	48,819.60
7	Presto 06810 jmbo sklt w/SilverStone	513	44.91	23,038.83
	CAN OPENERS			
1	Rival 781 almd	9,380	12.34	115,749.20
2	Rival 740AL opnr/knf shrpnr	5,852	16.26	95,153.52
3	Waring CO1-8 almd	6,460	12.11	78,230.60
4	Rival 782 opnr/shrpnr almd	4,985	13.85	69,042.25
5	Rival 782 opnr/shrpnr gld	2,813	13.63	38,341.19
6	Rival 781 gld	2,598	12.11	31,461.78
7	Rival 7442W cn opnr/bg opnr/knf shrpnr	1,430	19.31	27,613.33
8	Wear-Ever 75000 cn hndlr	922	24.48	22,570.56

(Continued on page 65)

The kitchen electrics area has benefited from former "hot" items added to the list of today's basic categories. They include fry pans and popcorn poppers, shown in Prange Way, Green Bay, Wis. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

Electrics

(Continued from page 58)

bate prices going down to as low as $2.99, possibly lower where retailers are willing to cut margins back for the sake of tonnage.

In the kitchen electrics business, 1983 sales are expected to be generated in the same way as 1982: by stocking and promoting the basic categories.

Throughout last year the majority of discounters complained about the lack of "hot" new products to stimulate business. That complaint is still valid, but there's a difference. Many discounters have learned: there is nothing inherently bad about building a strong electrics business which centers around basic categories, particularly when new items are often too high priced to represent big volume, and being price competitive means too great a margin sacrifice.

Caught in a Squeeze

For the first half most discounters will continue to be highly selective about new products, avoiding the risk of high-priced, slow movers taking up inventory dollars and shelf space.

Their strategy will be to focus on strong promotions of core products, those which are frequently replaced by customers, like coffeemakers, irons and toasters.

Discounters in their planning are increasingly recognizing the selling clout of these categories which represent sales of millions of units in kitchen electrics. It's been estimated that coffeemakers account for around 12.7 million unit sales per year, irons about 10.9 million, and toasters, 9.2 million.

In the sku cutback that takes place in January, following the

(Continued on page 65)

WE DELIVER.
Sunbeam
From left: #8173 – 60 minute Quartz timer.
#8153 – 60 minute single ring mechanical timer.
#8163 – 60 minute long ring mechanical timer.
All available in today's most popular colors.
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Employee Theft Found on Rise

NEW YORK—Employee theft is on the rise, according to a recent study of shrinkage at department, specialty and mass merchandising stores.

Surveys conducted by the National Mass Retailing Institute and Arthur Young & Co. break shrinkage down this way:

- Dishonest employees are responsible for 50% of merchandise losses.
- Shoplifters account for 30% of the problem.
- Faulty paperwork caused 20%.

Adding It Up

Of the retailers surveyed, 75% are depending on technology to combat employee theft by installing such devices as point-of-sale cameras. The other 25% concentrate on heavier supervision and "hot line" programs to report suspicious workers.

When employees are caught, 60% of the retailers prosecute with a 90% conviction rate.

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Electrics

(Continued from page 60)

big Christmas selling season, many buyers are recognizing the added potential of these basic categories. Consequently, more sku's could be added to these core categories.

Even with a lack of new products, the kitchen electrics area has benefited from the addition of former "hot" items to the list of today's basic categories. Two such categories are food processors and popcorn pumpers. A longer list of basics continues to give retailers ammunition for strong customer response to promotions.

The food-processor area is one in which manufacturers will be staying with their rebate offers. Their object is to help pull a high dollar return, since big unit response is lacking in this relatively high-ticket product.

For 1983, air cleaners continue to be a very viable category. Here, too, rebates remain very much a part of the picture. The product, once thought a contender primarily for fall/winter selling, has also proven a good item on a year-round basis.

Contents of the Mix

At many chains, the air cleaners have settled in as a three-to-four-sku category spanning price points between about $9.99 for basic, promotional items in branded and nonbranded models to about $19.99 for step-up units.

Another development in '83 is the growing list of producers introducing irons with SilverStone soleplates. Hamilton Beach was first and has had this area to itself for the past couple of years. This item will now be more plentiful and more competitive.

In 1982, Munsey introduced an item called the Belgian Waffler. It has proven to be a good, solid seller that could pick up in sales momentum.

Trade-up Move

Higher-ticket items like Cuisinart food processors have been added in trade-up efforts at chains like Bradlees. This year, some chains may shy away from moving into higher-price lines.

(DSN photo)

Chains like Zayre, whose Hialeah, Fla., unit is shown here, have relied on basics in kitchen electrics. Most discounters are expected to take the same tack in 1983 to generate sales.

(DSN photo)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 60)			
	SPECIALTY ELECTRICS			
1	Wear-Ever 73000 Popcorn Pumper	9,428	22.04	207,793.12
2	Presto 04810/Pn-1 Popcorn Now	7,274	20.64	150,135.36
3	Hmltn Bch 275AL Knife Hole In Handle	4,445	18.23	81,032.35
4	Dazey sam 3 vcm Seal-A-Meal	2,144	31.98	68,565.12
5	Presto 01250 60-qt prshr ckr alum	1,673	31.19	52,180.87
6	Munsey BW-2 Belgian Waffler	1,498	24.41	36,566.18
7	Nrthrn 8453-2 Ice Cream Freezer	2,337	15.13	35,358.81
8	West Bend 25467 Butter matic 4 qt	2,421	14.59	35,322.39
9	Presto 05000 Caramel Corner	1,050	30.45	31,972.50
10	Rival 1101-EC mt slcr/chrm dlx	508	53.44	27,147.52
	IRONS			
1	Sunbeam 11-19 stm & dry prom	9,466	16.84	159,407.44
2	Proctor 11300 lt stm/dry	9,537	16.51	157,455.87
3	Hamilton Beach 754S stm/dry SilverStone	2,382	23.45	55,857.90
4	Sunbeam 11-386/11-171 Sh of Steam	2,083	26.48	55,157.84
5	Struhl 2319 trvl irn	4,948	6.39	31,617.72

Source: Figures, for Jan. 1 through Dec. 4, 1982, were supplied by Stern-Nickman Distributing, a division of Cook United, Maple Heights, Ohio, and cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

Capture the Baby Market with Gerber
See the Complete New Gerber Accessory Line at the Housewares Show. Booth 2245-2296.
Gerber
Nurser Bottle Holder Set
Gerber
7 PIECE BIB
Rattle
Disposable Bottles
Drawer Latches
Pacifier
Let Gerber attract more customers for you with their extensive baby product line.
When new mothers shop for all their baby needs, they appreciate one-stop shopping convenience. When you carry the Gerber baby product line, your customers won't have to look anywhere else.
Increase dollars per customer transaction.
By providing one-stop shopping convenience for your customers, you'll see an increase in both planned and impulse sales.
Keep customers coming back for all their baby care replacement needs.
The Gerber product line has a high quality image that always meets your customers' expectations. Once customers make their initial Gerber purchase, their satisfaction will bring them back to your store again and again.
Make sure you carry these profitable Gerber product categories!
• Hankscraft Humidifiers & Vaporizers
• Reusable and Disposable Nursing Accessories
• Gift Sets
• Feeding Accessories
• Pacifiers and Teethers
• Child Proofing Accessories
• Rattles and Toys
• Diaper and Carry-All Bags
• Clothing
• Vinyl Pants
Contact your Gerber Sales Representative for advice on stocking and displaying the Gerber line of products.
Babies are our business...and have been for over 50 years.
Gerber
Gerber Products Company Fremont, Michigan 49412

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Giftware Biz Gets Strong Year-round

By HAROLD RUBIN
president,
HalMar, Distributors

A strong seasonal finale to 1982 positioned us well for 1983. We are looking forward to an excellent year. Business trends established in 1982 will continue into the coming year:

- Sharp pricing among discounters who will work lean to maintain liquid inventory positions;
- Strong basics-oriented assortments;
- Interest in trade-up price points restricted to key areas;
- Continuing emphasis on advertising emphasizing tie-in, coordinate sales.

In giftware, consumer inter-

(Continued on page 87)

Target Invades Five Markets

MINNEAPOLIS—Target forged into five new markets by opening six stores.

In one recent weekend Target opened in the new markets of Alexandria, La.; Billings, Mont.; Casper, Wyo.; Rochester, Minn., and Tyler, Tex. The chain also launched a second Garland, Tex., unit, boosting the Texas store count to 37.

Target's 40 new store openings planned for 1983 include 20 in the Los Angeles market.

In the past five years the chain has grown from 59 stores to 167 and tripled its revenues to over $2 billion.

Target and Mervyn's will each open over 100 new stores in the next five years, according to Kenneth Macke, president of the parent Dayton Hudson Corporation.

Adding It Up

By the end of 1987 Dayton Hudson will spend $2.4 billion to increase its square footage by 49%. Macke said that over 90% of the company's investment will be directed toward the discount, specialty and B. Dalton Bookseller operations.

The company plans to open 101 Targets, 108 Mervyn's and 360 Daltons.

Dayton Hudson increased the company's quarterly dividend from 27¢ to 30¢ per common share payable Dec. 10 to shareholders of record Nov. 19.

The board of directors also declared a regular quarterly dividend of $1.25 per share for $5 preferred stock and $1.50 per share for $6 preferred stock with the same terms.

There are 48,145,927 shares of common stock, 120 shares of $5 preferred stock and 10,250 shares of $6 preferred outstanding.

DINNERWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corelle 16-4 16-pc set, gold	16,568	32.84	544,093.12
2	Corelle 16-1 16-pc set, grn	13,888	32.84	456,081.92
3	Corelle 16-6 16-pc set, Woodland	12,834	32.84	421,468.56
4	Expressions 2020-7 20-pc Wildflwr	2,812	63.89	179,658.68
5	Corelle 16-5 16-pc set, blue	5,388	32.84	176,941.92
6	Expressions 2020-12 20-pc Ind. Summer	2,743	63.89	175,479.14
7	Expressions 2020-13 20-pc Meadow	2,659	63.89	169,883.51
8	Expressions 2020-16 Xpres 20-pc Strwbry	2,117	63.89	135,445.66
9	Corelle 16N 16-pc set, white	4,030	32.84	132,345.20
10	Dimensions IV 3216-34 16-pc set, slate	2,618	43.19	113,071.42
11	Dimensions IV 3216-32 16-pc set, cinnamon	2,559	43.19	110,523.21
12	Corelle 16-23 16-pc set MB	3,275	32.84	107,551.00
13	Traditions 4020-71 20-pc Harvest	1,646	47.69	78,497.74
14	Traditions 4020-8 20-pc Spice	1,295	47.69	61,758.55
15	Traditions 4020-70 20-pc Flirt	973	47.69	46,402.37

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Anchor 3600/672A Entrtainer set, 40 pc	2,443	28.79	70,333.97
2	Anchor N3600 Gold Westwood 24 pc	2,449	16.19	39,649.31
3	Libbey 8248 24-pc Bolero blue	2,069	17.09	35,359.21
4	Libbey 82486k 24-pc Bolero gold	1,828	17.09	31,240.52
5	Libbey 82437D BL Count Squire 24 pc	1,066	27.44	29,251.04
6	Concept 780 stoneware mugs asstd	19,908	1.43	28,468.44
7	Libbey 82496T Tawny Ent. set 24 pc	1,514	17.09	25,874.26
8	Anchor cry Westwood/Newport 24 pc	1,490	16.19	24,123.10
9	Libbey 82438T 24-pc Fjord set twny	1,068	21.86	23,346.48
10	Libbey 82430k Go Cntry Gon 24 pc	1,046	21.59	22,583.14
11	Libbey 82482 Chivalry 24-pc set	893	24.29	21,690.97
12	Libbey 81837T 18-pc Capri set twny	1,596	13.49	21,530.04
13	Anchor 225/3109E cry sham 9 oz	33,088	0.62	20,514.56
14	Anchor 2152cv/240 Roses bev 4 pk	4,186	4.67	19,548.62
15	Libbey 8476 Tulip Grande 9 oz	8,638	2.24	19,349.12

PYREX

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	115 Hurricandle	18,552	9.53	176,800.56
2	233 Utility dish	13,341	6.47	86,316.27
3	2112 Mini hurricandle	5,570	15.29	85,165.30
4	6230F cov Cass & bskt, Fireside	8,808	9.44	83,147.52
5	2330 3-qt Bake dish & basket	3,962	15.74	62,361.88
6	2320F 2-qt Bake dish & bskt	4,782	10.34	49,445.88
7	508 Measure	19,152	2.24	42,900.48
8	234 oblong Bake dish 4 qt	5,048	8.27	41,746.96
9	6840 2-qt Casserole & basket	2,428	15.74	38,216.72
10	516 Measure	12,996	2.87	37,298.52
11	704 oval Bake dish 4 qt	3,636	10.25	37,269.00
12	463 D Custard cup	10,401	3.50	36,403.50
13	232 Utility dish	6,449	5.39	34,760.11
14	703 3-qt oval Cass w/cover	3,336	10.25	34,194.00
15	222 Cake dish square	7,401	4.49	33,230.49

MICROWAVE

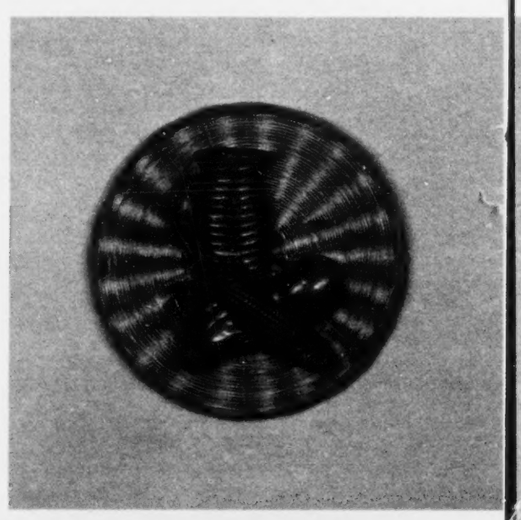
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corning M-W-2 grill	2,085	27.44	57,212.40
2	Corning MWA10 covered browning skillet	1,446	25.73	37,205.58
3	Anchor PM469/T1 bacon rack	4,891	6.83	33,405.53
4	Corning MW116 5-pc set	886	30.59	27,102.74
5	Corning MW-360 set	551	48.59	26,773.09
6	Corning MW-11 browning grill	1,527	17.27	26,371.29
7	Corning M-10-GR cooker w/rack	1,224	19.79	24,222.96
8	Anchor PM400/126 corn popper	1,740	12.59	21,906.60
9	Corning MR1 rack	1,991	10.16	20,228.56
10	Anchor PM447/T1 muffin tin	2,539	7.19	18,255.41
11	Anchor PM479/T1 roast rack	2,364	6.83	16,146.12
12	Corning MW12 pizza crisper	536	26.99	14,466.64
13	Corning MC1 small dish	1,035	12.86	13,310.10
14	Anchor PM444/T1 cookie sheet	1,886	6.83	12,881.38
15	Corning M68 cook n' pour pan	665	16.91	11,245.15

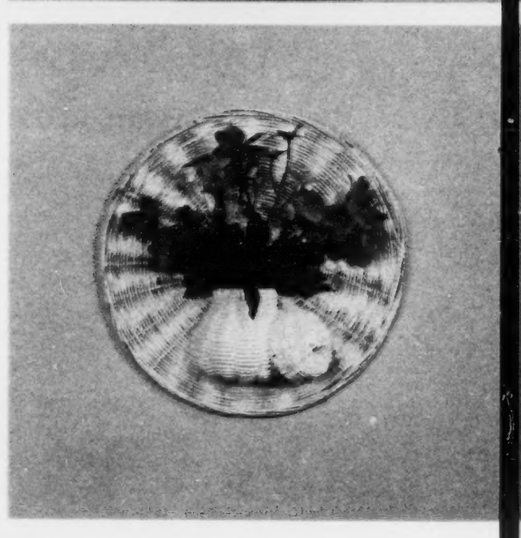
(Continued on page 87)

Introducing...

Fashioncraft™

An Exciting New Line of Distinctive Wall Accents





Created for Today's Design-Conscious Homemakers

Fashioncraft™ is a new concept in home wall decor. Three-dimensional designs, hand applied finishes and quality components unite to create an enchanting new line of distinctive wall accents. The appealing 3-D designs are assembled in various combinations with natural burlap, grasscloth, wicker, silk flowers and sturdy hardboard frames. Fashioncraft™, a collection of elegant designs for modern homemakers, offers a wide selection of retail price points from under $5.00. With popular pricing and the merchandising simplicity of full-visibility gift boxes, Fashioncraft™ is the line with built-in sales appeal. A color catalog is available on request.

Miller Studio, New Philadelphia, Ohio 44663

NHMA

See the entire Fashioncraft™ line on display in Booth 4051-56
NHMA Exposition
McCormick Place, Chicago
January 17-20, 1983

HOUSEWARES

SilverStone products are best known in top-of-range, particularly saute pans, shown here at Wal-Mart, Rogers, Ark. Buyers look for SilverStone bakeware to begin making sales inroads this year. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement

(Continued from page 86)

COOKWARE/BAKEWARE

1	Ekco 64330 Bakers DB cake pan	21,217	3.59	76,169.03
2	Ekco 64110 Bakers cookie sheet	16,732	4.04	67,597.28
3	Ekco 64100Bakers cookie sheet	14,926	3.59	53,584.34
4	Ekco 46200 Bakers 12-cup muffin	11,573	4.31	49,879.63
5	Ekco 64260 Bakers roast/bake	8,783	4.94	43,388.02
6	Ekco 64470 Bakers loaf pan	10,824	3.23	34,961.52
7	Ekco 99071 Bakers secret ppk	12,015	2.69	32,320.35
8	Ekco 54110 cookie sheet	11,822	2.60	30,737.20
9	Ekco 64590 Bakers pizza pan	8,186	3.59	29,387.74
10	Ekco 64080 Bakers cookie sheet	8,926	2.87	25,617.62
11	Ekco 64070 Bakers loab pan	9,399	2.60	24,437.40
12	Ekco 54330 roasting pan	10,824	2.24	24,245.76
13	Hillside HM60sp spring form pan	3,441	6.74	23,192.34
14	Ekco 64950 Bakers RD cake pan	9,909	2.33	23,087.97
15	Ekco 64600 Bakers 6-cup muffin	6,416	3.59	23,033.44

CORNING

1	F330 French White 3-pc set	2,337	42.29	98,831.73
2	Rangetoppers N350 6-pc Cornflower	1,177	62.09	73,079.93
3	P150 Grab-IT	5,733	11.51	65,986.83
4	P14 cass-erette	7,147	8.09	57,819.23
5	Rangetoppers N350-8 6-pc Spice	833	69.29	57,718.57
6	Rangetoppers N350-7 6-pc Wldflower	650	69.29	45,038.50
7	A300 kitchen starter set	999	41.84	41,798.16
8	P104-8 Teapot, spice	2,060	18.89	38,913.40
9	Corning P104 teapot	2,172	17.09	37,119.48
10	A300-8 kitch start set Spice	778	47.69	37,102.82
11	A21-8 roaster, Spice	1,586	23.39	37,096.54
12	A21-corning roaster	1,714	21.32	36,542.48
13	F2 FR WH 2.5-qt ov cov cass	1,906	18.44	35,146.64
14	A21-7 open roaster Wflower	1,479	23.39	34,593.81
15	Corning A300-7 starter set Wflower	715	47.69	34,098.35

(Continued on page 88)

PIA/M®

PRODUCT MOVEMENT AUDIT

Giftware Biz

(Continued from page 86)

est has become strong enough year-round for the category to lose much of its seasonality.

Consumer interest in hurricane lamps, which really started to build during the 1981 Christmas season, has translated into year-round sales; candle lamps with wood and tile bases—as well as those without bases—are growing in popularity. Hurricane lamps that take candles are more popular than those that are oil-filled.

Other items, like cake plates, serving platters and chip and dip sets will also become more visible year-round sellers.

Meanwhile price points in this category, and generally throughout the department, seem to be holding; those price hikes on deck for 1983 will be modest.

For the first time in several years, glassware will be getting more retailer attention—both at the Housewares Show and on

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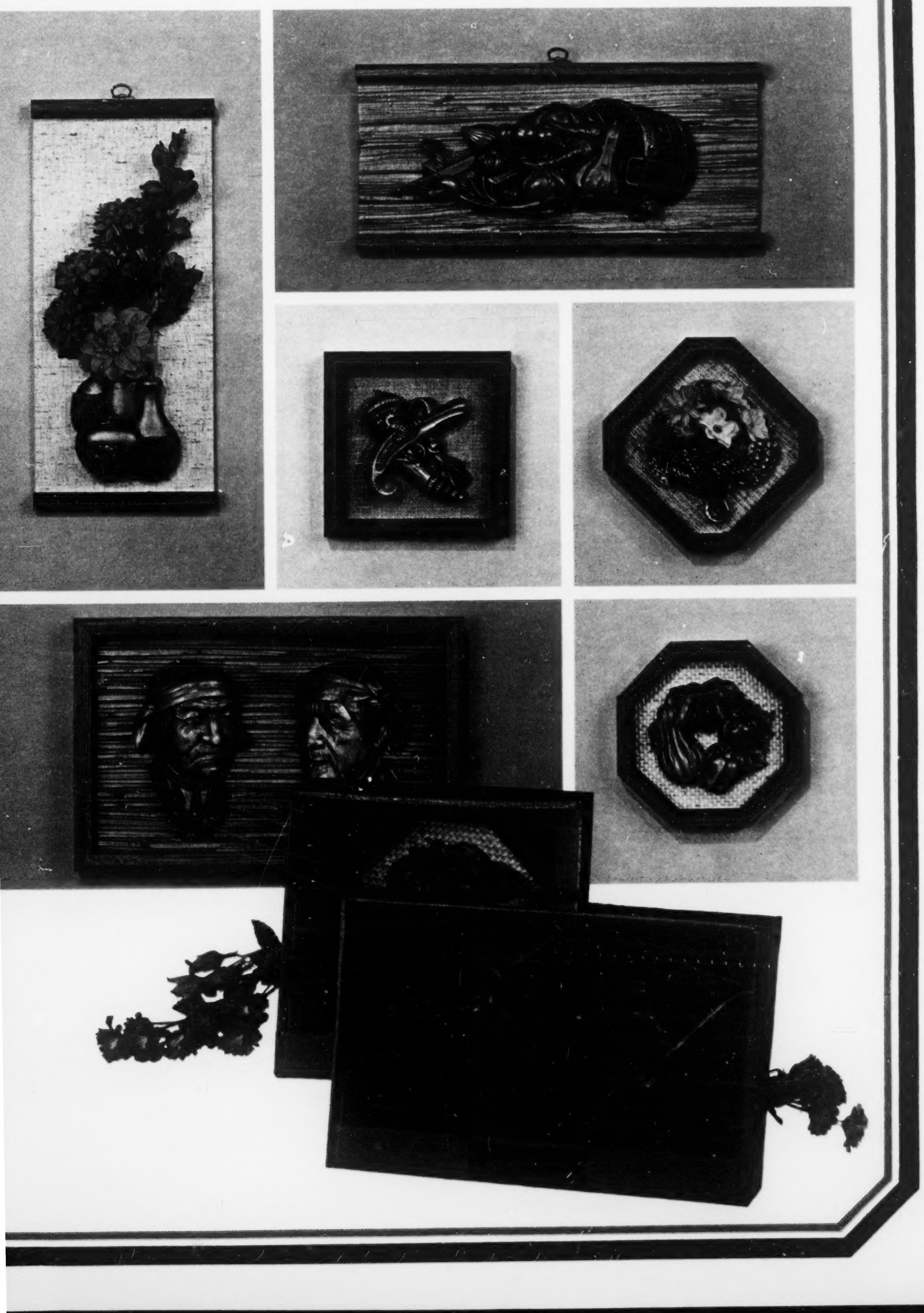

Ward's New Test Of Legal Services Gets Tentative O.K.

WASHINGTON—Justice Department antitrusters gave Montgomery Ward a tentative green light to establish an innovative new prepaid legal services program for customers of the chain.

Unlike in-store legal service operations under consideration now by various discount, general merchandise and drug store chains, Ward's plan won't involve on-premises lawyers. Instead, the chain's program will be patterned after successful "third-party" prescription drug or health insurance programs, and will rely on "participating" attorneys practicing out of their own offices.

Initial Plans

Initially, Ward plans to offer the program only to its existing charge account customers in major metropolitan areas in Illinois, Ohio, Iowa and Pennsylvania for a monthly subscription fee. If the concept succeeds, the legal program may be expanded to include non-Ward charge customers in these and other areas.

News of the chain's legal program—which is still in the preliminary stages of development—surfaced as a result of a letter from Justice Department Antitrust Division Chief William Baxter assuring Ward officials that the Reagan Administration doesn't intend to challenge the plan on antitrust grounds.

Baxter gave the plan his tentative blessing in response to a July 1981 request from the chain for a formal Justice Department "business review letter" discussing the antitrust implications of the program.

(Continued on page 88)

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 87)			
	RUBBERMAID			
1	2965 Laundry basket, choc	9,873	5.57	54,992.61
2	2882 cov Trash can 20 gal	3,726	14.39	53,617.14
3	2951 Dish pan, choc	15,169	3.14	47,630.66
4	2864 Fliptop basket, choc	5,811	8.09	47,010.99
5	2951 Dishpan, almond	13,937	3.14	43,762.18
6	2956 Laundry bskt, almond	7,729	5.57	43,050.53
7	0450 Bath mat, white	12,937	3.23	41,786.51
8	2965 Laundry basket, gold	7,450	5.57	41,496.50
9	2951 Dishpan, gold	12,503	3.14	39,259.42
10	0450 Bath mat, lt blue	11,878	3.23	38,365.94
11	2850 Basket lift lid, choc	4,713	8.09	38,128.17
12	6032 Dish drainer, choc	6,147	6.11	37,558.17
13	0450 Bath mat, choc	11,233	3.23	36,282.59
14	2864 Fliptop basket, almond	4,268	8.09	34,528.12
15	6032 Drainer, almond	5,641	6.11	34,466.51
	PLASTICS			
1	Republic 156 Freezette 1 qt	7,535	2.96	22,303.60
2	Republic 154 Freezette 1 pt	6,127	2.96	18,135.92
3	Tucker T334 trash can 22 gal	1,944	8.99	17,476.56
4	Loma 364 32-gal ref. can w/locklid	1,266	12.32	15,597.12
5	Deka SU510 Smurfs mug 10 oz	10,108	1.52	15,364.16
6	Eagle E4470 cold cut saver	5,515	2.60	14,339.00
7	Eagle E6244 ss 44-oz oblong saver	7,969	1.79	14,264.51
8	Deka SU530 Smurfs tumbler 11 oz	11,381	1.25	14,226.25
9	Sterilite S2121 1-qt refrigar bottle	10,595	1.25	13,243.75
10	Eagle E6242 22-oz oblong saver	10,298	1.25	12,872.50
11	Deka SU560 Smurfs plate 9 in	4,228	2.96	12,514.88
12	Deka SC510 Strw Shtcake mug	8,180	1.52	12,433.60
13	Deka SU590 Smurfs cereal bowl	8,176	1.52	12,427.52
14	Sterilite S2122 2-qt refrige bottle	7,599	1.61	12,234.39
15	Alabaster 62048 Trendee table mate	3,371	3.59	12,101.89

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	Rhodes 29031-UC timer, white	9,659	7.19	69,448.21
2	Swing-A-Way 407-21 opener chrome	14,363	4.49	64,489.87
3	Rhodes 29035-UC timer, almond	6,023	7.19	43,305.37
4	Ekco 08850 Miracle can opener	36,292	0.98	35,566.16
5	Ekco 08840 4-way can opener	20,008	1.52	30,412.16
6	Vanderbilt Products 786 3-pc wood spoon set	24,592	1.16	28,526.72
7	Ekco 00050 stainless peeler	19,872	1.43	28,416.96
8	Bonny 39 pastry brush WD	13,599	1.97	26,790.03
9	Wall-Collins LT0 202 steamer basket, boxed	7,066	3.59	25,366.94
10	Ekco 0003 peeler	33,931	0.71	24,091.01
11	Foley 10189 food mill disp	2,154	10.79	23,241.66
12	Swing-A-Way 107 jr opener	9,603	2.33	22,374.99
13	Helmac products HB 300 lint brush	8,286	2.69	22,289.34
14	Automatic Wire Goods 90 colander, strainer	6,254	3.41	21,326.14
15	Taylor 5937 meat therm	3,937	5.39	21,220.43
	BATH SHOP			
1	Magnolia M100 molded toilet seat white	7,924	9.44	74,802.56
2	Magnolia M3000A padded seat white	2,410	17.54	42,271.40
3	Magnolia M3000A seat brown	1,855	17.54	32,536.70
4	Magnolia padded seat blue	1,805	17.54	31,659.70
5	Selfix N443 portable shower spray	3,157	9.62	30,370.34
6	Selfix C441 shampoo spray	14,566	2.06	30,005.96
7	Ekco 38 110 18" towel bar	11,119	2.42	26,907.98
8	Ekco 38170 24" towel bar	8,453	2.87	24,260.11
9	Selfix 2253 shwer caddy large	4,590	5.12	23,500.80
10	Ekco 38890 toilet tissue holder	9,683	2.33	22,561.39
11	Selfix 2251 shower caddy	6,992	3.14	21,954.88
12	Selfix 2110 twin hook	16,119	1.34	21,599.46
13	Ekco 38120 12" towel bar	9,332	2.24	20,903.68
14	Magnolia M3000A padded seat, gold	1,191	17.54	20,890.14
15	Magnolia M200 hi rise toilet seat, white	1,314	14.39	18,908.46

(Continued on page 90)

PMA®
PRODUCT MOVEMENT AUDIT

Giftware Biz

(Continued from page 87)

store shelves.

With Durand now manufacturing in this country and Wheaton expanding its line, the category will become more competitive this year. At the same time, shifting consumer preference—for minimally decorated glassware as opposed to patterns that covered most of the crystal—will intensify interest in the category. Country-look themes—dainty florals and smaller lattice patterns—are among the minimalist decorations discounters will add in

(Continued on page 90)

The Evenflo Baby Care Program.

Everything a baby care department should be.

A proven winner. Evenflo products have over 40 years of infant category leadership.
Complete. Evenflo has the first and only baby care line that includes everything a mother needs: feeding necessities, toys, oral development items and accessories.
Heavily advertised. Maximized gross impressions in the top women's and baby magazines read by millions of young mothers will create awareness and stimulate trial.
Fast turning. A full range of products packed in assortments to minimize SKU's.

Profitable. Our baby care program is designed to increase turns at competitive margins.
Packaged to sell. Evenflo's bright color-coded packaging is easier to stock and generates impulse sales.
Planogrammed. We have developed standard programs to meet the needs of any size store or we will customize a complete baby care department to your specifications.
Available right now. Call Ed Doerrmann, Evenflo's National Sales Manager at (216) 296-3465 for more information about Evenflo's baby care program.

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Ward's New Test

(Continued from page 87)

Specifically, officials at the chain were concerned that Federal antitrusters might consider the program's approach for setting maximum legal fees by participating lawyers to be a form of illegal price fixing.

Those maximum fees for specific legal services will be set unilaterally by a nonprofit foundation established by Montgomery Ward Enterprises. Participation in the Ward prepaid program will be "limited to a number of attorneys sufficient to serve the needs of subscribers," and each must agree to charge no more than the maximum rates set by the foundation's board.

Changing Attitudes

After studying the chain's proposal for more than a year, Baxter told Ward's senior vice president and general counsel Ferdinand Zeni that "as a general matter, we believe the emergence of prepaid legal services programs may benefit the public by making lawyers' services more widely available, and by providing the public with a wider choice of mechanisms for obtaining those services."

Regarding the potential for price fixing, Baxter said that the plan "doesn't appear likely to facilitate collusive behavior among attorneys" because participating lawyers would be ineligible to serve on the fee-setting board and probably "will be unable to exercise undue influence over the board's decisions."

Another Perspective

In addition, he said, the chain's program isn't likely to "eliminate effective competition" among lawyers in any particular market "because the plan's maximum fee provisions will be subject to the full force of competition from nonparticipating attorneys and other legal services delivery mechanisms."

In giving Ward tentative Justice Department approval for the program, however, Baxter warned the chain that Federal antitrusters reserved the right to attack the plan if it ultimately proves to be anticompetitive.

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Giftware Biz

(Continued from page 88)

1983.

In addition, combination sets—in smaller groups of 12 and 16, and larger groups of 30-plus pieces—will generate more interest and sales throughout the coming year. In the past the bulk of the business has been in 18- and 24-piece sets.

Retailers will get help from manufacturers in this area in 1983: Combination set packaging promises to be smaller and trimmer, even as manufacturers pack more pieces into a single box.

Also attracting retailer interest in prepacked sets are coffee mugs packaged four and eight pieces to the box.

At the same time, the single-mug sales that were strong in 1982 promise to be good business for discounters in 1983.

Microwave cookware, to date, has been soft in the New England area but looks as if it will catch on as it has in the rest of the country during 1983.

We will be looking at the new Rubbermaid line of microwave items at the Housewares Show.

Rising Trend

In bath shop plastics, discounters will continue to colorize their displays, a trend in evidence this past year at the trade-up chains.

Thus, rather than mixing colors on a single hook, there will be more effort to buy and display goods by color.

High-style and primary colors—and not the weakly received pastel colors introduced at the Housewares Show last January—will be getting the shelf space in 1983.

Elsewhere in the department, basics will hold sway.

In gadgets, for example, basics assortments will be the rule, as buyers opted out of most experiments during 1982. The same is generally true in tabletop, cookware and bakeware, with minor exceptions.

One exception is in Silver-Stone bakeware.

Many buyers tested the category during Christmas, but at this date, the jury is still out—and major buying decisions won't be made until later in the year.

Income, Biz Soar At Dollar General

SCOTTSVILLE, Ky.—Dollar General reported its net sales for the third quarter ended Sept. 30 were $74,977,000, a 17.7% increase over the same period last year.

Net income, at $2,473,000 for the third quarter, represented a 42.4% increase.

Cal Turner Jr., president, said: "Several positive factors combined to produce excellent third-quarter results. We converted more of each sales dollar to profit. . . . Gross margins improved, and we're particularly pleased with our progress in controlling expenses."

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 88)			
	CLEANING/CHEMICALS			
1	3M FC4101 16-oz Scotch Guard	9,136	5.93	54,176.48
2	339 Johnson Wax Lemon Pledge 14 oz	14,829	3.14	46,563.06
3	Texize 271 Fantastik 32 oz	11,988	2.51	30,089.88
4	Drackett 293 Endust 10 oz	8,556	3.50	29,946.00
5	Drackett 159 Vanish automatic 12 oz	13,272	2.15	28,534.80
6	327 Johnson Wax Wood Pledge 14 oz	8,856	3.14	27,807.84
7	Drackett 156 Vanish 48 oz	10,959	2.51	27,507 09
8	182 Johnson Wax Future 27 oz	6,036	4.49	27,101.64
9	Scotts A14 Liq gold 14-oz aerosol	6,285	4.31	27,088.35
10	334 Johnson Wax Pledge 14 oz	7,908	3.14	24,831.12
11	Murphy's oil soap 1 lb	10,517	2.24	23,558.08
12	Drackett 154 Vanish auto grn 12 oz	10,212	2.15	21,955.80
13	White M-8 x-14 Mildew Removr 16 oz	6,892	3.14	21,640.88
14	Scotts p16 Liq Gold 16-oz pourable	5,064	4.22	21,370.08
15	Drackett 127 Windex & sprayer 22 oz	7,856	2.69	21,132.64

Source: Figures, for Jan. 1 through Dec. 3, 1982, were supplied by HalMar Distributors, Holyoke, Mass., and cover more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.

READ CLASSIFIED ADS

At Lechmere, Framingham, Mass., varied styles of flatware are displayed atop boxed units for greater visibility and self-service. *(DSN photo)*

Monty Hall, Star of TV's "Let's Make A Deal"

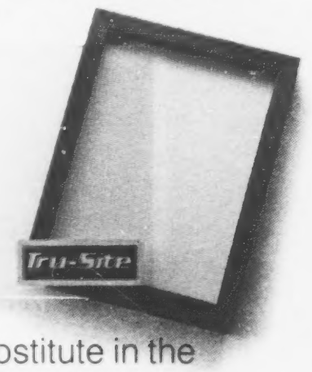
Monty packs every frame

Tru-Site™ is the new name for America's leading non-glare picture glass. To make it *the* name to look for in non-glare glass, and to help promote its use for all photo and picture frame applications, we're offering you and your customers some very special deals.

CUSTOMER DEAL NO. 1:

Free 5″ x 7″ Tru-Site Non-Glare Glass With Purchase of Photo Frame

Stock up on frames with the Tru-Site bonus and your frame department will become your hottest profit-center! With the purchase of specially-packaged 5 x 7 frames, your customers will receive a FREE, bonus piece of 5 x 7 Tru-Site non-glare glass to substitute in the purchased frame, or to use in another frame at home. Through sampling, customers will discover the non-glare benefits of Tru-Site for their treasured photos and pictures—and you'll reap the benefits of Tru-Site's premium profits.



HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CORELLE DINNERWARE			
1	16-4-N 16-pc set, butterfly gold	8,131	25.38	206,364.78
2	16-1-N 16-pc set spring bl, green	6,678	25.42	169,754.76
3	16-6-N 16pc set, Woodland	5,784	25.35	146,624.40
4	16-NN 16-pc set Winter Frost, white	4,499	25.56	114,994.44
5	3216-32 16-pc set, cinnamon	1,438	34.10	49,035.80
6	16-5-N 16-pc set Old Town, blue	1,788	24.89	44,503.32
7	321-34 16-pc set, slate	1,319	33.61	44,331.59
8	3216-33 16-pc set, almond	1,176	33.38	39,254.88
9	3235-32 Dim-IV 35-pc set, cinnamon	377	65.51	24,697.27
10	3216-31 16-pc set, Citrus	635	35.67	22,650.45
11	35-6N 35-pc set, Woodland	444	50.96	22,626.24
12	4020-71 Tradition 20-pc Harvest	478	38.84	18,565.52
13	3235-33 Dimen 35-pc set, almond	277	65.27	18,079.79
14	4020-8 Tradition 20-pc Spice	460	38.86	17,875.60
15	35-4N 35-pc set, butterfly gold	345	51.52	17,774.40
	GLASSWARE			
1	Anchor 992 candle stacks	117,474	1.72	202,055.28
2	Libbey 81227 Crystal Chat stem 24-pc	2,153	12.64	27,213.92
3	Libbey 82482 Chivalry 24-pc set	1,590	13.64	21,687.60
4	Anchor N3600/795 Westwood set/gold	1,902	9.30	17,688.60
5	Libbey 8472 Citation grande 12-pc wine	1,376	11.84	16,291.84
6	Anchor 4512CV bev 4-pk Wexford	3,060	5.28	16,156.80
7	Anchor 3600/794 Westwood set/crystal	1,734	9.28	16,091.52
8	Libbey 82430K Country/Garden gold 24-pc set	30,434	0.52	15,825.68
9	Anchor 1500/8 26-pc punch set	1,874	8.15	15,273.10
10	Libbey 97012 milk bottle	921	15.99	14,726.79
11	Libbey 4-pk-8456 goblet 10-oz Citation	2,502	4.75	11,884.50
12	Libbey 4-pk-8466 wine 6½-oz Citation	2,465	4.75	11,708.75
13	Libbey 4-pk-8469 wine/rouge Citation	2,213	4.75	10,511.75
14	Anchor 4523 butter & cover Wexford	6,492	1.36	8,829.12
15	Anchor W1071 bud vase milk white	12,024	0.73	8,777.52

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	Columbia 6605 juicer 18-qt	580	103.92	60,273.60
2	Foley/Asc 1702-79 SilverStone bake rack	1,710	29.81	50,975.10
3	Columbia 0707 canner 7 jar 22-qt	2,951	11.52	33,995.20
4	Columbia 0509 roaster oval 18-lb	3,914	7.76	30,372.64
5	Foley/Asc 489-79 cook/biscuit/silver	4,884	6.02	29,401.68
6	Foley/Asc 297-79 pol 7-pc silver set	989	27.58	27,276.62
7	Ekco 64330/M433 cake pan olbong B/S	7,086	2.90	20,549.40
8	Foley/Asc 480-79 br & loaf pan silver	5,802	3.46	20,074.92
9	Wear-Ever 46030 10" saute pan	1,894	10.46	19,811.24
10	Columbia 0506 roaster oval 7-lb	4,295	4.37	18,769.15
11	Columbia 0508 roaster oval, 12-lb	2,414	7.69	18,563.66
12	Foley/Asc 484-79 12c muffin/silver	5,328	3.37	17,955.36
13	Ekco 64110/M411 cookie sheet Baker's Secret	5,561	3.22	17,906.42
14	Wear-Ever 46014 square griddle	1,563	11.24	17,568.12
15	Wear-Ever 46028 8i" saute pan	1,865	8.97	16,729.05
	CORNING			
1	P-1420-8 Counter saver Spice	1,962	21.31	41,810.22
2	P-1420 Counter saver white	1,724	19.56	33,721.44
3	P-1420-7 Counter saver Wildflower	1,544	21.42	33,072.48
4	F260 French white 3-pc set	1,284	17.37	22,303.08
5	A-300-8 Kitchen Starter set	694	31.31	21,729.14
6	F-330 Collection set 3-pc French white	692	29.33	20,296.36
7	P-100 8 Menuette set Spice	846	22.53	19,060.38
8	A-300 Kitchen Starter set	636	27.65	17,585.40
9	A-300-7 Kitchen Starter set	566	30.87	17,472.42
10	P100 Menuette set Cornflower	964	17.61	16,976.04
11	F-2 Covered ov casserole 2½-qt French white	1,029	15.01	15,445.29
12	P100-7 Menuette set Wildflower	692	22.30	15,431.60
13	P240 Grab-A-Meal 2-pc	1,314	11.00	14,454.00
14	P104-8 Teapot, Spice Of Life	899	15.08	13,556.92
15	P-140 Sidekick set	1,844	6.79	12,520.76

(Continued on page 97)

PMA®

PRODUCT MOVEMENT AUDIT

Chains Give Price Deals Top Priority

By Howard Bobroff
President,
Stem-Nickman Distributing

Three words will form the basis for planning the first half: price, product and promotion.

Discounters will be driving for the lowest possible price deals from manufacturers, and looking for the greatest level of manufacturer support.

Chains are in the market once again for basics. Given the state of the economy, the trade-up trend doesn't have much meaning—if trade-up is translated as moving into higher price points.

Merchandisers' jobs won't be made easy, however, as price increases are expected from the majority of resources in the first half. But, the increases will be relatively small, on selected items in many lines.

Price hikes will be most apparent in glassware, as dictated by price increases in natural gas which is used in production.

With a forecast of little trade-up potential or significant increases in unit sales, the way to make a profit in 1983 will be via controls.

There will be a tightening of inventory, or, more accurately termed, exercising better control over inventory.

Inventory control won't necessarily mean fewer sku's, vendors or products. Proper inventory control will revolve around examination of where the business is and capitalizing on that, cutting back sku's where sales figures don't warrant big assortments, and increasing sku's in areas that do.

In short, discounters will attempt to carry the right inventory levels and the right lines instead of instituting wholesale inventory cuts.

(Continued on page 97)

9-Set Ad

(Continued from page 80)

instead of waiting for another circular or shopping elsewhere."

The result?

"We did very well with this ad," said Grar.off. "It proved itself to the people who thought it wouldn't work."

The sets in Bradlees' ad ranged in price from $5.99, regularly $7.99, for 6-pc. stemware sets (Diamont and Regency from J. G. Durand) up to $12.99, regularly $18.99 and $19.99, for 24-pc. beverage sets (Country Garden and Scandinavian from Libbey, Artic from J. G. Durand).

Sets of 24 pieces at lower price points, $8.99 and $9.99, were also included (Lido and Tempo from Anchor Hocking and Whisper from Wheaton).

All the glassware shown in the ad was clear glass—in crystal clear, blue, gold and tawny.

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

Price Deals

(Continued from page 95)

Although we don't see any particular areas taking off by leaps and bounds during this new year, there are some growth opportunities.

Microwave cookware has been a growth area, and will continue to grow. Corning and Anchor Hocking are both strong in the category, as the Product Movement Audit shows.

Corning's covered browning skillet continues to be the No. 1 best-seller in terms of dollar movement. Anchor Hocking's bacon rack is ranked second in dollar movement, moving up steadily throughout the year from the fourth place it held in the first-quarter Product Audit Movement.

Anchor's bacon racks overtook Corning's Little Sizzler and Browning Grill, which had been ranked second and third during the first quarter, and rank sixth and fourth, respectively, in the latest audit.

Corning is not only enjoying strength with its microwave-packaged items, but is also strong with merchandise like the French White collection and Grab-A-Meal, which can be used in the microwave oven.

Among the list of 15 top-sell-

(Continued on page 100)

Hard Sell

(Continued from page 29)

Fields said the chain wasn't buying into its current copperware assortment. "It sold well in 1982," he said, "but we think it's time for a change."

Wal-Mart is considering changes in its furniture buying. "Last year we started a direct import program from the Orient. Now, we're thinking of adding some items made in West Germany which will be bought from an importer. We're also shopping more, and using more domestically made merchandise from resources that are considered to be department store resources."

Adding It Up

Target's Little doesn't see any major improvements in the economy. He's nevertheless forecasting heightened customer interest in housewares merchandise that could be called "gourmet" or "trendy."

"Customers are reacting differently," said Little. "They stayed away from typically big-volume Christmas items like gift tins and ceramic reindeer. They're going toward merchandise that has gift and utility characteristics such as boxed glassware sets, stemware, and ceramics."

Target, currently known for selling high-end housewares, plans to make further inroads into that business in 1983.

"Our goal for 1983," said Little, "is to continue the solid business we've built in basics, but we will build on that with gourmet and fashion trend merchandising."

(Continued from page 95)

PYREX

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	440-49 Bowl set Autumn Harvest 4-pc	1,021	14.04	14,334.84
2	480-49 Casserole Autumn Harvest 3-pc	899	14.94	13,431.06
3	703 Oval casserole 3-qt	1,880	7.07	13,291.60
4	2220F Square cake basket	2,069	6.27	12,972.63
5	232 Utility dish	2,813	4.54	12,771.02
6	704 Oval baking dish 4-qt	1,691	7.49	12,665.59
7	480-61 Casserole set 3-pc forest	815	15.16	12,355.40
8	233F Utility dish 3-qt	2,106	5.84	12,299.04
9	702 Oval baking dish 2-qt	2,508	4.83	12,113.64
10	300-61 Mix bowl set 3-pc Forest	1,379	8.75	12,066.25
11	3520 Juice jug 2-liter	4,139	2.84	11,754.76
12	440-80 4-pc Mix bowl set Shenandoah	817	14.01	11,446.17
13	684 Casserole 2-qt	2,838	3.89	11,039.82
14	480-80 Casserole set 3-pc Shenandoah	723	15.26	11,032.98
15	22 Cake dish square	3,654	3.00	10,962.00

MICROWAVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corning MW-A-10 covered browning skillet	2,287	7.68	40,434.16
2	Anchor PM469/T1 bacon rack	7,803	5.00	39,015.00
3	Corning MW-116 set	1,713	22.51	38,559.63
4	Corning MW2 browning grill	1,643	22.27	36,589.61
5	Corning MC-6 divided dish w/cover	2,532	13.62	34,485.84
6	Corning MW-11 Little Sizzler white	2,471	12.78	31,579.38
7	Anchor PM481/T1 versatility pan 1-qt	4,487	5.00	22,435.00
8	Anchor PM444/T1 baking sheet	3,730	5.00	18,650.00
9	Anchor PM447/T1 muffin pan	3,469	5.00	17,345.00
10	Corning MW-83-W covered Menuette browner	1,782	9.20	16,394.40
11	Anchor PM459/T1 bake ring	2,702	5.00	13,510.00
12	Corning MW-360 set	345	38.82	13,392.90
13	Anchor PM479/T1 roast rack	2,677	5.00	13,385.00
14	Corning MW12 pizza crisper	578	22.25	12,860.50
15	Republic 497 corn popper	1,508	7.36	11,098.88

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Foley 824 strainer 5" wood handle	140,775	1.25	175,968.75
2	Rhodes 29046/WC Daisy bell timer	6,685	6.05	40,444.25
3	Swing-A-Way 407-21 can opener port chrm	8,312	3.29	27,346.48
4	Swing-A-Way 107-21 can opener jr port assrtd	9,821	1.64	16,106.44
5	American Family 3000 kitchen scale 25-lb	1,264	10.75	13,588.00
6	Foley 101 food mill family	1,337	9.06	12,113.22
7	Foley 157 can tapper	11,631	1.04	12,096.24
8	Foley 124 peeler	9,803	1.05	10,293.15
9	Foley 247 Fold 'N' Pour dust pan	9,636	1.06	10,214.16
10	Foley 120 pizza cutter	9,042	1.05	9,494.10
11	Foley 1[illegible] rolling pin	2,748	3.39	9,315.72
12	Spring 103 oven therm	5,473	1.64	8,975.72
13	Swing-A-Way 307-21 can opener wall white	2,669	3.30	8,807.70
14	Foley 136 measuring cup set	2,080	4.21	8,756.80
15	Foley 700-72 bast spoon black handle	8,304	1.05	8,719.20

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2894 Roughnck ref cont choc	4,582	16.93	77,573.26
2	2882 Refuse containr/avocado	2,892	10.46	30,250.32
3	2965 Laundry basket almond	4,098	4.20	17,211.60
4	2937 Twin turntable sand	4,370	3.58	15,644.60
5	2965 Laundry basket choc	3,569	4.17	14,882.73
6	6032 Dish drainer choc	2,301	5.24	12,057.24
7	2864 Wst baskt/self close, chocolate	1,752	6.76	11,843.52
8	1904 Spatula	16,895	0.70	11,826.50
9	8365 Ice cube tray set/2 pk	8,232	1.43	11,771.76
10	6032 Dish drainer almond	2,244	5.21	11,691.24
11	1610 Calico shelf liner gr	5,138	2.25	11,560.50
12	2865 Ice cube tray ice blue	13,944	0.81	11,294.64
13	2862 Ice cube bin/white	5,723	1.97	11,274.31
14	2936 5gl Turntable al/sand	5,387	2.06	11,097.22
15	2850 Wst bskt/lift lid choc	1,602	6.85	10,973.70

(Continued on page 100)

Tear out this Quaker State 1983 promotion planner.

REFINED FROM PENNSYLVANIA GRADE CRUDE OIL
QUAKER STATE DeLuxe 10W-40 HD MOTOR OIL
NET CONTENTS 1 U.S. FL. QUART/0.946 LITRE
QUAKER STATE SUPER BLEND 10W-30 HD MOTOR OIL
FOR GASOLINE & AUTOMOTIVE DIESEL ENGINES
QUAKER STATE Sterling 10W-40 HD MOTOR OIL
QUAKER STATE 30 HD MOTOR OIL

1 Six case allowance periods.

$1 off 12/1 quart cases. $2 off 24/1 quart cases.

As follows:

- Jan 15-Feb 15 HD and Sterling Motor Oil
- Mar 1-30 Super Blend
- April 15-May 30 DeLuxe
- June 15-July 15 Super Blend or HD (Choice of one)
- Aug 15-Sept 30 DeLuxe
- Oct 15-Nov 15 Super Blend or HD (Choice of one)

Case orders only. No purchase limit. Advertise Quaker State exlusively, and you'll earn 125% of the ad cost from our 1983 Retail Advertising program.

2 Consumer coupon promotions scheduled for May 15–June 15 and August 15–September 15, 1983.

(Details to be announced)

Save this page. Use it to set your profit plans for 1983. For details, contact your Quaker State distributor or the National Account Department, Oil City, PA., 16301

Quaker State: Pipeline to profits.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 97)			
	PLASTICS			
1	Fesco 7200 n trashcan 20 gal ch/av	3,268	7.62	24,902.16
2	Fesco 5207 n trash can 32 gal ch/av	1,948	12.46	24,272.08
3	Lustro c 124 c trsh can alum color	1,291	11.49	14,833.59
4	Lustro L-45 decanter/asst 1 gal	6,596	1.90	12,532.40
5	Eagle 6251 food sav oblng 110 oz	5,255	2.07	10,877.85
6	Eagle 3428 cake saver 10 in	2,376	4.31	10,240.56
7	Lustro c-124c reftainer lck cv grn	1,200	7.77	9,324.00
8	Alaba/am pro 60028/70403 dust pan	17,368	0.50	8,684.00
9	Fesco 1080 octag bakt/1½ bu yel	2,679	3.12	8,358.48
10	Eagle 4470 cold cut saver small	4,281	1.95	8,347.95
11	Eagle 5986 jar food saver 72 oz	5,491	1.48	8,126.68
	BATH SHOP			
1	Selfix 443 portable shower assorted	3,668	6.86	25,162.48
2	Counselor 86N-95 promo scale brown	2,327	8.01	18,639.27
3	Counselor 86N-10 promo scale white	1,902	8.01	15,235.02
4	Counselor 997N-11 caravan oval scale almnd	863	13.90	11,995.70
5	Counselor 410N-90 wick scale brown	922	12.88	11,875.36
6	Selfix C441 shampoo spray assorted	7,333	1.57	11,512.81
7	Counselor 997N-95 caravan oval scale brown	809	13.82	11,180.38
8	Tamor 9978/144A tub hangers assorted	111,594	0.10	11,159.40
9	Counselor 276N-10 handle scale white	924	11.70	10,810.80
10	Gray 1107 king size shower caddy white	2,598	3.98	10,340.04
11	Counselor 410N-10 wick scale natural	742	12.87	9,549.54

(Continued on page 105)

Zayre is working on a new tabletop presentation to highlight its fashion assortment in dinnerware. The chain currently displays boxed sets of dinnerware and flatware together, as shown in Lyons, Ill. *(DSN photo)*

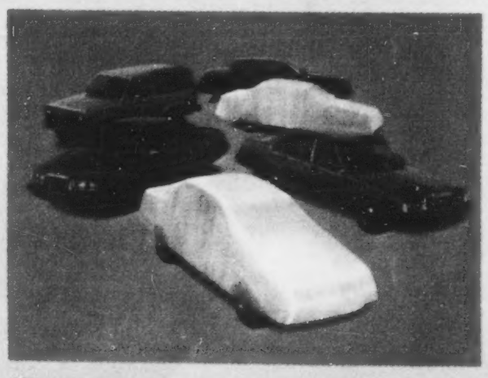
MOTORCRAFT PARTS FOR ALL MAKES OF CARS...

...BACKED BY PROGRAMS FOR ALL KINDS OF PEOPLE.

GM, Chrysler, Ford, and imports. You can carry products for them all from one source. Motorcraft.

And this spring, the Motorcraft Great Cars and Parts Giveaway Program provides unparalleled Motorcraft incentives to all the people involved with Motorcraft—either as retail customers or as part of the Motorcraft distribution chain.

■ A consumer Sweepstakes featuring the six new Ford Motor Company cars shown here, including the soon to be introduced Mercury Topaz and Ford Tempo. ■ Nine different consumer refund offers, worth up to 16 dollars on filters, spark plugs, and oil. ■ Free direct-account product offers on specified order levels of spark plugs, oil filters, and motor oil. ■ Travel and vehicle incentive certificates for key sales personnel. ■ A 100% co-op advertising allowance for eligible direct accounts, on certain products. ■ A Sweepstakes for Motorcraft accounts, featuring a new 1983 Mercury 5-liter H.O. Capri. ■ Free point-of-purchase materials. ■ Newspaper and radio advertising in support of the consumer programs. ■ Sales-generating television and print advertising in support of a new national campaign, Motorcraft Exceeds the Need.



For complete program details, contact your Motorcraft supplier. Or call 1-800-521-4114. (1-800-482-4102 in Michigan.)

You'll get quality products designed for all makes of cars. And programs designed for you.

Motorcraft Ford

PIMA®

PRODUCT MOVEMENT AUDIT

Price Deals

(Continued from page 97)

ing Corning items, the French White three-piece set ranked fourth, the French White covered casserole, 2½-qt. size, was 11th and the two-piece Grab-A-Meal 13th.

Also expected to be good an item for Corning this year is its top-of-range percolator, which the manufacturer discontinued but put back into the 1983 line.

In bakeware, we believe the new SilverStone sales are destined to be a plus business; Ekco's Baker's Secret line will continue to have a healthy share of the market.

In the cookware Product Movement Audit, Ekco's Baker's Secret oblong cake pan continues to be ranked seventh. The Baker's Secret cookie sheet is ranked 13th, losing a little strength during the year from its eighth-place ranking in the first quarter.

Columbia and Foley items have jetted to the top of the cookware list, with Columbia's

(Continued on page 105)

Bonus Bucks Found Gaining In Importance

NEW YORK—Bonus payments have increased in importance in the total compensation package at both the management and executive level in the retailing industry.

This trend is one of the key findings in the recently released study on executive compensation conducted by the National Retail Merchants Association (NRMA).

Since the last survey was conducted by NRMA in 1980, 66.5% of the top retailing positions at both corporate and divisional levels are eligible to participate in bonus plans—an increase of more than 6% over 1980.

At the corporate level, 81.4% of the 19 top positions surveyed are eligible for bonuses. Approximately 75% of the incentive plans for this group are based upon a financial performance standard and/or individual performance objectives. The maximum bonus payable in public firms expressed as a per cent of base salary falls into the 22%-25% range.

Titled *Executive Compensation Survey of the Retailing Industry*, the survey compiles and classifies data from 109 firms including: department stores, specialty stores, specialty store chains, general merchandise chains, discount stores, home improvement chains, and catalogers. Sales volume of firms participating ranges from under $10 million to the largest national chains. The collective volume of the firms surveyed is $88 billion.

Data is presented in tabular and graphic format for 16,000 incumbents in more than 70

(Continued on page 111)

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Price Deals

(Continued from page 100)

18-qt. juicer taking first place and Foley's SilverStone bake rack coming in second.

In the first quarter, the Wear-Ever Preferred seven-piece set was ranked as the top dollar movement unit, but during this audit it fell from the top 15 list. Columbia's 7-jar, 22-qt. canner, which had ranked second early in 1982, dropped one place.

In the dinnerware category, Corning's new Cornerstone entry should do well. The product is right, but it is a little high priced.

We are encouraging customers to tie their programming to Corning's national promotion of the product line.

More Winners

Corelle 16-piece sets, including Butterfly Gold, Spring blue/green, Woodland, Winter Forest and Cinnamon continue to hold the top five slots in the dinnerware lineup. But, the entire top 15 ranking underwent little change from the beginning of 1982 through year's end.

Meanwhile, the glassware lineup looks very different than it did at the beginning of the year.

The current audit shows Anchor candlesticks topping movement.

During the first quarter of 1982, top places went to Houze's Pac-Man mug, followed by Anchor's 4-pack Wexford beverage, and Libbey's milk bottle.

A Closer Look

Anchor's Westwood in gold and crystal moved up several notches during the year, coming in at fourth and seventh places, respectively.

Total business with Rubbermaid was up in 1982; this key line kept up a steady flow of strong items and timely, good promotions.

At the top of the chart in Rubbermaid items, refuse containers continue to nail down top dollar movement.

Coming on strong is the almond laundry basket, which moved from 15th place at the beginning of 1982 to third place at year's end, and the spatula, moving from 12th to eighth place.

Increased promotions on items retailing between $5 and $10 appeared in housewares departments such as Wal-Mart's, Rogers, Ark., during 1982. The strategy will prevail at most chains this year. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 100)			
	CLOSET			
1	Lee/Row 3x80 skirt hanger set of 3	12,887	1.97	25,387.39
2	Lee/Row 3x50 skirt rack	6,024	3.05	18,373.20
3	Tamor 2280/3/2210/3 plstc suit hanger	12,402	1.34	16,618.68
4	Lee/Row 3x19 skirt & blouse hanger	7,992	1.97	15,744.24
5	Corr-Pak W 2410/WSB storage chest	10,656	1.41	15,024.96
6	Lee/Row 3x6/3x34 wd trouser hanger	7,631	1.75	13,354.25
7	Lee/Row 3x89 overdoor hanger	6,044	2.18	13,175.92
8	Corr-Pak W 2806/WUB under-bed chest	8,111	1.41	11,436.51
9	Corr-Pak W 2112/WSB 4-drawer chest	1,511	6.80	10,274.80
10	Lee/Row 3x66/3x65 garment rack	915	11.09	10,147.35
11	Lerner 7400 sweater box plastic 16x11x7	2,173	4.09	8,887.57
12	Lee/Row 1567 storage closet w/bag	359	23.52	8,443.68
13	Lee/Row 3x5 blouse tree 6-tier	3,540	2.36	8,354.40
	HOUSEHOLD CHEMICALS			
1	3M-4101-16 3M Scotch Guard 16 oz	6,939	4.42	30,670.38
2	Willert xE20/5168 moth balls 1 lb	31,343	0.92	28,835.56
3	Texize 271 Fantastic w/spray 32 oz	23,271	1.20	27,925.20
4	Drackett 293 Endust aero 10 oz	11,666	2.21	25,781.86
5	Boyle 6220 Woolite s/c rug clr 22 oz	9,903	2.46	24,361.38
6	D-con Ready Mix-Rat/mse 1 lb	11,379	2.05	23,326.95
7	Johnson 0182 Future 27 oz	6,381	3.38	21,567.78
8	Murphy 32 oil soap; liquid 32 oz	10,557	2.00	21,114.00
9	Drackett 120 Drano	8,516	2.47	21,034.52
10	Drackett 116 Drano stren	14,951	1.39	20,781.89
11	Johnson 0339 Lemon Pledge 14 oz	8,515	2.42	20,606.30
12	Johnson 0183 Future 46 oz	3,914	5.00	19,570.00

Figures, for Jan. 1 through Dec. 4, 1982, were supplied by Stem-Nickman Distributing, a division of Cook United, Maple Heights, Ohio, and cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

Schultz Joins Dayton Hudson

MINNEAPOLIS—Robert W. Schultz has joined Dayton Hudson as assistant controller.

He will report to Michael M. Pharr, senior vice president and controller.

Schultz will be responsible for the control liaison with the Dayton Hudson operating companies, and coordinate the control aspects of corporate acquisitions.

He was vice president and controller of Joseph Magnin Inc., San Francisco, retailer of men's and women's apparel, for the past two years.

Closet Maid® will be impressing your customers 40 million times this year.

Forty million impressions don't come easily. It takes a major program. And that's what we have for Closet Maid. A major consumer advertising effort to stimulate demand where it counts — in your store.

We'll be in consumer magazines like Womans Day, Family Circle and Better Homes & Gardens. And the message will be simple: "Make the most of the space you already have; it's in short supply in today's homes and apartments." We'll be educating consumers about Closet Maid systems, including shelves, racks and baskets.

Don't miss out on forty million impressions. Get your share of the booming storage market. Act today and we'll discuss a program that will help you tap the full potential of this category. For more information on trade programs call or write: Clairson International, Consumer Products Division, 720 S.W. 17th Street, Ocala, Florida 32674. (904) 732-8734

Clairson International

CLOSET MAID®

Home Is Where the Computer Is

Caldor promotes the Timex/Sinclair 1000, peripherals and software in a freestanding display unit in its West Paterson, N.J., store. *(DSN photo)*

Late Yule Biz Surge Yields Mixed Results

Nationwide DSN Survey

Shoppers waited until the last minute, but in the end there was a Christmas—although with mixed results.

The last-minute buying surge was strong enough at many chains to push volume over monthly quotas. But, almost everyone said they were cherrypicked by bargain-hunting shoppers.

In some cases, Woolco's going-out-of-business sales made business that much harder for both discounters and catalogers.

A spokesman for the H. J. Wilson showroom chain acknowledged his company's Sunbelt stores were affected by GOB sales—as well as by discounters' sharp price promotions.

The holiday produced strong apparel sales at discount chains including Zayre, Bradlees and Danners. For catalogers, consumers' increased purchases of practical apparel items as gifts hurt December sales. But, catalogers and discounters reported fast movement in jewelry, video cassette games and personal computers.

K mart chalked up a modest sales gain of 0.8% for December after reporting declines of 3% to 4% for the previous four months.

Sales of over $2.7 billion for the five weeks ended Dec. 29 represented a significant improvement, according to company chairman Bernard Fauber, "especially when compared with the strong 18.4% increase for December 1981," he added.

Fauber and most other execs said the sales pickup in the final 7-10 days before Christmas followed the trend seen during the previous two years.

The holiday produced strong sales of apparel, jewelry, video cassette games and personal computers.

At Bentonville Ark.-based Wal-Mart, same-store sales increased by 8%. Chain volume for December climbed by 26% to $507 million based on sales at 552 stores compared to 491 units in December 1981.

At Massachusetts-based Zayre, chain volume for the five weeks of December increased by 18.% to $353.7 million

Steadily building business in the chain's northeastern stores offset weak sales in southern areas, explained a chain spokesman. Especially strong sales were garnered in men's wear and kerosene heaters.

Christmas volume was flat at many catalogers such as Best Products, which couldn't benefit from healthy apparel sales. (Best's recent acquisition of the Modern Merchandising and Basco showroom chains pushed volume for December up to $474 million from $264 million a year earlier.)

Since the two acquired chains combined did about $173 million in December of 1981, and Best increased its store base by 7% in 1982, real per-store sales growth was under 1%.

The smaller, Miami-based Luria & Son showroom chain didn't break out December sales results. But, a spokesman for the chain did say strong sales during the final week before Christmas plus a good post-Christmas business helped the chain chalk up a 15.4% gain for the three months ended Dec. 31. Volume at the chain reached $51.9 million for the quarter.

Luria had conservative inventory levels for the Christmas season, and enjoyed a good sell-through—especially in higher-ticket diamond jewelry, silver, and giftware, according to the spokesman.

Regional discounters such as Danners and Pamida also kept a tight hold on inventory levels this Christmas.

Although figures weren't in at presstime, Pamida's vp of finance Ron Curtis estimated the chain's Christmas sales were about 7% ahead of the 1981 figures. His estimate for same-store growth was closer to 8% or 9%.

Curtis said executives monitored business twice a week during the Christmas selling season to see if additional markdowns were war-

(Continued on page 124)

Many Discounters Will Pass Up The 1st Winter Hardware Show

LAS VEGAS—Vendors gambling on a strong retailer turnout at the first-ever winter hardware show here are betting against the odds, as much of the discount industry plans to skip the show.

Attendance from catalog showroom chains will also be spotty, with Best Products to send little representation, if any; H. J. Wilson planning to pass, and L. Luria & Son not in the category. In the home center industry, representation will also reportedly be light and skewed to western companies.

In addition, large vendors such as Stanley Tool, Glidden Paint and Moss Manufacturing (maker of ceiling fans) weren't scheduled at presstime to be represented at the event, called the Winter National Hardware and Home Center Show, to be held Jan. 31-Feb. 2.

There will be representation from large chains such as Zayre and medium-sized chains such as Heck's, but among those discounters not attending will be Cook United, Rose's, Murphy's Mart, Jamesway, Pamida, ShopKo and S. E. Nichols, many of which are chains with a significant stake in DIY and home improvement categories.

Discounters and catalogers planning to skip the show cited two key problems: poor timing and duplication of merchandise at other shows. Some, such as Cook United and Pamida, plan to attend the Home Center Show in Dallas (Feb. 28-March 3).

"We see a lot of the same merchandise at the [January] housewares show, and feel there will be too much crossover for us," a Murphy's Mart senior buyer said. "We're not going because we don't think the expense could be justified. If the show turns out to be a big thing, then maybe in the future we'll go, but not now."

However, at least one chain, Heck's, regards possible crossover with merchandise at the housewares show differently:

"We have been going to the housewares show, but there's not too much there for us," a Heck's spokesman said, "so we are scheduled to go to the Las Vegas show. If this works out for us, we will skip the housewares show in the future."

Heck's has scheduled two hardware buyers plus at least one other representative to attend the winter hardware show. They will be looking "for anything in late summer and fall goods, or even May-June goods that could be shipped right away."

In bug lights, for instance, a

(Continued on page 17)

Newspapers' Retail Rates Up 12.7% For 12 Months

NEW YORK—Daily newspaper retail rates in the top 20 markets rose an average of 12.7% for the 12 months ended October 1982.

Philadelphia showed the greatest increase, according to a study by Pinpoint Marketing, New York, a co-op advertising computerized auditing and marketing service.

Ad Costs Compared

The latest semiannual issue of the firm's publication, *Retail Rates—Daily Newspapers*, reports on the local open retail rates of over 3,000 daily newspapers and special editions. In its breakout of the top 20 ADI markets covering a total of 392 newspapers, it reports Philadelphia showed the greatest increase with a 24.78% rise in rates. The Washington, D.C., area was second with a 19.68% rate hike. Seattle-Tacoma was third with an 18.75% rise. St. Louis had the smallest increase: 5.97%.

The latest 12-month CPM index using a standard 10-in. ad showed New York the most cost efficient in this category with a 0.74 rating on a variation of 1.00 index based on the averages of all daily newspapers in the 20 major markets. Minneapolis/St. Paul and Baltimore news-

(Continued on page 114)

Rate Rises By Area

Market Area	Percentage Increase/ Oct. '81-Oct. '82 Based on local open rates per column inch
Philadelphia	24.78
Washington, D.C.	19.68
Seattle/Tacoma	18.75
Chicago	17.99
Miami	16.72
Detroit	15.45
San Francisco	13.64
Denver	12.76
Atlanta	12.62
Cleveland	10.67
Pittsburgh	10.61
Baltimore	10.53
Tampa/St. Petersburg	10.48
Dallas/Fort Worth	10.44
New York	10.25
Los Angeles	10.10
Houston	9.82
Boston	9.67
Minneapolis/St. Paul	8.82
St. Louis	5.97

The average increase for all 20 markets was 12.76%.

Source: Pinpoint Marketing

Analyst Calls Moody's Action 'Hindsight'

Lowered K mart Debt-Rating Minimized

NEW YORK—Wall Street has discounted the downgrading of K mart's debt rating.

Standard & Poor's is expected to lower its rating of the discounter's senior and subordinate debt and commercial paper after having had K mart on its credit watch since mid-November 1982.

Moody's Investors Service last month lowered its rating of K mart's senior and subordinate debt but retained its high Prime 1 rating for the discounter's commercial paper.

The discounter's senior debt rating at Moody's went to A2 from Aa3, while the subordinate debt ranking dropped to A3 from A1.

A Moody's source said that the short-term commercial paper debt matures in a few months and K mart's successful inventory control efforts have reduced its short-term borrowing.

The discounter's long-term debt is weaker because of "deterioration that has occurred in K mart's fundamental position in retailing as a result of merchandising problems and increased competition."

One Wall Street analyst summed up the lack of a market reaction to Moody's downgrading because of previous drops in the discounter's stock to its mid-20's price (at presstime).

Moody's downgrading was "basically hindsight" that reflects past poor earnings, the analyst said, adding the market has already discounted K mart's problems.

Moody's lowered the debt rating just as K mart reported a big jump in net income to $30.1 million for the third quarter, its best quarterly performance for the latest fiscal year.

K mart chairman Bernard M. Fauber expressed confidence that Moody's would re-

(Continued on page 124)

BEST AVAILABLE COPY

Systems Solution to Merchandise Planning

(Continued from page 112)

For example, "what happens to my monthly OTB if:
- sales fall 15% short of my plan;
- I lower my opening inventory;
- management restricts me to 6 WOS;
- I cancel half of my April order, or
- I achieve double June's sales plan with a successful promotion?"

Without a system, the manual computations required consume so much time that such exploratory questions are rarely asked. Buyers are left with only their intuition to cover these real possibilities in their buying plans.

Step 4
Revise Plan During Season

Once the season is in progress, actual sales, inventory and current order figures should update the plan each week. Planned figures are the prediction; actual figures the reality. Open-to-buy and resultant buying decisions must be based on the most current reality.

As in the case of revision before season, updating the plan with actuals affects calculations in months other than the current month. Figure 2 continues the XYZ Co. example from Figure 1, but shows actual results for the preseason period and February.

Although updates have been made only through February, OTB has changed for March from eight to 21. Actual WOS and S/S figures are computed and reported, enabling the buyer to compare plan to actual and to spot trends in progress.

In Figure 2, actual sales are exceeding the plan, and we appear to be headed for a stockout in straight-leg jeans. If the buyer believes this trend will continue, he can quickly use the MPS revision tools described in Step 3 to raise his sales plan and compute the corresponding increased inventory and OTB while there is still time to place orders with his jean vendors. As in the previous steps, the computer is indispensable in:
- collecting actual figures from other company systems;
- updating the planning reports automatically;
- computing and reporting resultant changes in WOS, S/S ratio and OTB;
- helping the buyer revise plans based on the latest selling performance.

MPS Refinements

The MPS presented in our example is a simple model. Several refinements can be introduced to provide additional tools to the buyer/planner.

First, planning can be done in dollars instead of units. For dollar planning, markdowns, discounts and shortages must be added to the system. A second refinement reports additional data, such as ratios of actual-to-plan, last year to this year, and per store averages. With a third enhancement, one can introduce vendor lead-time into the system and report not only *how* much to buy but also *when* to buy.

The Microcomputer

MPS' don't always require large computers. We worked recently with a major ladies apparel chain that made very effective use of a simplified MPS on a personal computer. The system enabled the firm to reduce excessively high inventories. While working with this smaller system, management also refined its requirements for a more comprehensive MPS on the mainframe.

Computers and Buyers

Whether on a microcomputer or a mainframe, merchandise planning is essential to controlling a company's buying activity. With intelligent use of a computerized MPS, buyers are freed from the chore of sifting through and manipulating mountains of data. They can, instead, concentrate on the qualitative and creative aspects of their job.

The Discounter Management Development Series is created for DSN *by Touche Ross & Co. under the direction of Randy L. Allen, national services director for retailing. The firm is a "Big Eight" international public accounting, tax and management consulting company.*

About the Authors . . .

Randy L. Allen is a partner in the New Jersey offices of Touche Ross & Co. and a national services director for retailing. She specializes in retail systems, merchandise marking and control techniques, marketing, POS and electronic funds transfer. Ms. Allen is author of POS Trends in the 80's *and co-author of* OCR-A Cost/Benefit Study. *She is a frequent speaker at industry conferences.*

Brian L. Sobelman is a senior consultant in the New Jersey offices of Touche Ross & Co. He has worked on many projects developing systems requirements and designing and implementing systems. His particular area of emphasis has been in retail and merchandise planning systems.

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Discounters' New Lineup

(Continued from page 10)

ton, Del., are the major vacant markets between New Jersey and the Baltimore and Washington areas. Bradlees—and Caldor—are believed to be considering shut Woolcos in the Greater Philadelphia Area to fill the gap.

It seems likely that the major problems that affected Memco's ability to be successful will not affect Bradlees.

Memco stores have food departments which fared poorly in recent months, especially in the Washington areas, where Memcos could reportedly muster only a 3% share of the grocery store market dominated by Giant and Safeway.

Buffington said Memco didn't have enough stores to support a food warehouse and distribution center, forcing Memco to buy from "wholesalers rather than our own food support operations," which is more costly.

Another problem was Memco's territory, geographically distant from company headquarters, which caused "overhead higher than our normal operations," Buffington added.

Bradlees, in contrast, "won't operate any food stores" at the ex-Memco sites, according to a spokeswoman.

"It's possible that in certain stores where the design permits, a portion of the building could be leased to a food operator," she said. At presstime, Bradlees' officials said they weren't engaged in negotiations with grocery chains.

The Bradlees stores, which normally occupy 95,000 sq. ft. including a 10,000 sq. ft. mezzanine, will be scaled down in size from the Memco configuration. In addition, Bradlees plans to hire about 1,300 persons for the 13 stores, which Memco operated with approximately 2,000 workers. The "great majority" of Memco workers are slated to lose their jobs with the exception of some administrative and managerial employees, said Buffington.

Location of Units

The 13 Memcos are in Rockville, Oxon Hill, Camp Spring, Hyattsville, Greenbelt, West Baltimore, Dundalk and Columbia, Md., and Reston, Fairfax, Annandale, Beacon Hill and Richmond, Va.

The Richmond store joins Bradlees' other unit there.

CPM Index Variations

Market Area	Variation from Index (1.00 is average of all markets)
New York	0.74
Minneapolis/ St. Paul	0.75
Baltimore	0.85
Miami	0.86
Denver	0.88
Atlanta	0.91
Washington, D.C.	0.95
Detroit	0.95
Chicago	0.97
Tampa/ St. Petersburg	0.97
Dallas/ Fort Worth	1.00
Cleveland	1.01
St. Louis	1.03
San Francisco	1.13
Houston	1.14
Philadelphia	1.21
Seattle	1.26
Pittsburgh	1.35
Boston	1.36
Los Angeles	1.55

Source: Pinpoint Marketing

Rates Up

(Continued from page 3)

papers were runners-up with 0.75 and 0.85 ratings, respectively. Los Angeles topped with CPM list with 1.55 followed by Boston at 1.36 and Pittsburgh with 1.35.

Pinpoint Marketing processes over $100 million in cooperative advertising claims for a diverse roster of companies. Its *Retail Rates—Daily Newspapers* study was developed four years ago in cooperation with the Association of National Advertisers and is issued biannually.

TSS Gets It All Together

Times Square Stores unveiled a new coordinated look for domestics in its Bronx, N.Y., unit. Bed vignettes feature the sheets, pillowcases, comforters and dust ruffle goods shown in bins and gondolas. *(DSN photo)*

Caldor Reportedly Deals

(Continued from page 1)

Caldor is also reportedly going after the former Two Guys in Coram to give it six stores on Long Island.

The closing of the eight Woolcos and three Two Guys during the past 18 months are key elements in the discount store shrinkage on Long Island that has also seen the shutting of seven Korvettes three years ago and three Mays last year. Great Eastern, Floyds and Masters also were in the market at one time.

Times Square Stores remains the dominant discounter on Long Island with nine company-run stores, while Modell's Shoppers World has five lessee-operated units.

Alexander's and Brents each have two stores on Long Island.

The cataloger competition includes four Service Merchandise and 16 small Consumers Distributing showrooms.

Kelly Dissects Price-fixing

(Continued from page 14)

sive location clause for distributors for this particular electronic product; in a famous footnote the court clearly stated that any retail price setting would be a per se violation of law.

Administration officials concede that the law presently prohibits retail price-fixing; opponents say that their economic analysis (unsupported by any empirical data or statistical studies that we have seen) suggests that the Supreme Court has been wrong for 70 years, as has the Congress, which should be asked to look at the situation if the courts cannot be convinced of the error of their ways. The catalog showroom industry agrees that this is an issue for the Congress to address but that the law of the land should be upheld.

We anticipate working with all interested persons and associations, in presenting the argument against retail price-fixing to the new Congress in early 1983. Consumer groups have advised that they will support us. We invite anyone and everyone who believes that efficient distribution of mass merchandise products requires a discount retail segment to join in this effort in presenting the case to the Congress.

Buyer Skills

(Continued from page 9)

"We feel our buyers are already skilled," she explained. "This new program is designed to focus on planning for a meeting and evaluating a vendor. We want our buyers particularly skilled on meeting the needs of the vendors."

Important Role

Kathy McGinniss, vp of development and training at Gold Circle, noted while the point of the programs is to get better terms on buys, they are not designed to teach buyers how to beat vendors down.

"We are talking about polishing skills for a long-term benefit—and saving," McGinniss said.

At Zayre, Kayden has a more strategic approach. "We don't want this to be an event. We want it to be a long-term, ongoing process. The way to go about it is to have the divisional merchandise managers commit to follow up on implementation of the skills taught."

Buyer training will be followed by a series of meetings between divisional merchandise managers and buyers to discuss and evaluate specific skills and track their use.

Catalog Dinner Will Honor 14

NEW YORK—The annual B'nai B'rith Youth Services/St. Jude Children's Research Hospital catalog dinner will honor 14 industry leaders cited in the past decade.

The dinner will be held July 31 at the Grand Hyatt Hotel in New York.

HOUSEWARES

Discounters' Cookware Lead Thinned in 1st Half of '82

WILMINGTON, Del.—Discounters' dominance of the total cookware market slipped slightly during the first half of 1982, according to Du Pont's latest market survey.

The survey showed chains continued to hold top market position, but dropped in share from the 30% noted during the first half of 1981 to 29% for the first half of 1982.

Drew Dutton, Du Pont's marketing manager for Teflon/SilverStone finishes, said the one-percentage-point decline, however, "isn't significant" in the overall picture.

For the 1981 period, Dutton pointed out discounters managed to gain a percentage point in the second half to give them a year-end 31% market share. Therefore, first-half 1982 figures aren't the final word on how chains will fare at year's end, he said.

The trend during the past few years, as tracked by Du Pont, showed discounters dropping from a 31% share in 1979 to 30% in 1980, and moving back up to 31% in 1981. The Du Pont study also pointed to slight increases coming from other segments of the marketplace, including department and food stores, which could be gaining at discounters' expense.

Department stores, evidencing high promotional activity during much of the period, increased their market share from 16% in the first half of 1981 to 17% in the first half of 1982. During the same period, food stores, which have been widening their cookware assortments, boosted their share slightly from 10% to 11%.

The trend during the past three years, as tracked by Du Pont, showed department stores upping their market share from 14% to 16% between 1979 and 1980, then holding steady during 1981.

Food stores, with a 9% share in 1979 and 1980, increased to 10% in 1981.

Du Pont's study also showed market fragmentation, however, based on the manufacturer's introduction of separate trackings for direct mail, gourmet/specialty retailers and TV offerings in the second half of 1981.

Also during the second half, Du Pont began tracking K mart's performance.

Although figures for the first half of 1982 won't tellthe whole story, a comparison with 1981 shows: Gourmet/specialty stores held steady at a 3% share; direct mail was up a percentage point to 4%; TV offerings got less than a 1% share.

K mart's first-half 1982 share was pegged at 8%, up from 7% in the second half of 1981.

Comparing first-half performance with the total 1981 figures, declines also appeared for catalog showrooms, down two percentage points to 5%; home centers/hardware stores, down a point to 5%, and drug and variety segments, down a point to 4%.

Further Considerations

Catalogers, after slipping from 8% to 7% from 1979 to 1980, held steady at 7% in 1981. Home centers/hardware segments with 7% in 1979 and 1980, slipped to 6% in 1981. Drug and variety stores have been uneven, going from 5% in 1979 to 6% in 1980, and back to 5% in 1981.

In a breakdown of categories, discounters' biggest declines in share have been noted in portable electrics. After increasing from 34% to 36% in the category from 1979 to 1981, they held only a 33% share for the first half of 1982.

Department stores held steady at 15% in portable electrics. Food stores, with a 2% share for several years, showed a decline to 1%. For catalogers, who went from 14% to 17% between 1979 and 1981, first-half sales also showed a decline, to 16%.

Discounters' top-of-range sales also are off. First-half share of 25% was down 26% in 1981.

Department stores, Sears, Ward and Penney, meanwhile, showed slight increases in top-of-range during the first half.

In bakeware, discounters also appeared to be off slightly, with 31% in the first half, compared to 32% in 1981. Chains had held a 32% bakeware market share in 1979, then declined to 29% in 1980.

Bakeware during the first half was steady at department stores; up at food stores, and down at Sears, Ward, Penney, and drug/variety segments.

Retailers' Share of Cookware Sales

Trade Class	1977	1978	1979	1980	1981	1st Half 1981	1st Half 1982
Discounters	28%	28%	31%	30%	31%	30%	29%
K mart*	—	—	—	—	—	—	8
Department Stores	14	14	14	16	16	16	17
Food Stores	11	12	9	9	10	10	11
Sears/Wards/Penney	11	10	10	8	10	9	10
Catalog Showrooms	5	5	8	7	6	6	5
Home Centers/Hardware	4	4	7	7	6	6	5
Drug/Variety Stores	11	9	5	6	5	5	4
Gourmet/Specialty*	—	—	—	—	—	—	3
Direct Mail*	—	—	—	—	—	—	4
TV Offer*	—	—	—	—	—	—	1
All Others	16	18	16	17	11	16	11

*These retail segments weren't tracked by Du Pont until the second half of 1982. K mart's share is also included in the total discount market share.
Source: DuPont Marketing Research.

Two Take A Shine to Copperware

Copper cookware and accessories, such as kettles, decorative molds, canisters and measuring cup sets, have been one of the major merchandise components of the "country" or Americana look. At the fall opening of its new prototype store in Green Bay, Wis., Prange Way (top) put the spotlight on its copperware assortment by displaying it in a wood slat fingerwall in the hostess/serving section of the housewares department. In its Dedham, Mass., store, Lechmere (bottom) featured copperware, boxed individually and as sets, on natural wood parsons display tables. The majority envision the country look as a continuing trend in housewares during the first half of 1983. But, merchants at Wal-Mart believe copperware has run its course and don't plan to add to this year's assortments. *(DSN photos)*

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HOUSEWARES

Americans Drinking Less Coffee, Study Finds

The voracious coffee consumer still exists but, according to a recent study conducted by the International Coffee Organization, overall the coffee-drinking public is shrinking.

Americans today are drinking less coffee than ever before. In addition, when they do choose coffee they are opting more often for instant and decaffeinated alternatives than for brewed coffee. More significantly, greater numbers of consumers are giving coffee up entirely.

The I.C.O. study, "Coffee Drinking Study, Winter, 1982," which polled 7,500 people aged 10 and up, also revealed:

- Daily coffee consumption has declined 40% in the last 20 years, from a high of 3.12 cups consumed per coffee-drinking person per day, to a low of 1.90 cups in 1982.

The rate of decline, however, was slower in 1982 than it was in the two previous years. Coffee consumption dropped 1% per person from 1981 to 1982, compared to a 5% decline in consumption between 1980 and 1981 and a 2% dropoff from 1979 to 1980.

Key Changes

That drop in consumption was mainly in the area of brewed coffee; today more people are drinking instant coffee than ever before. Instants now account for 30% of all coffee consumed in the United States, including decaffeinated coffees.

- The number of people consuming coffee in all age groups has declined since 1962, with the number of coffee drinkers in the 20- to 29-year-old group decreasing most dramatically—by 38%—in the past two decades. In 1962, 81% of this age group drank coffee, compared to 43% in 1982.

Use of Coffee-Making Products

Product	% Using 1975	1980	1981	1982	% Change 1975-82
Electric percolator	51	28	27	24	−27
Electric drip	7	47	49	52	+45
Regular percolator	24	12	12	10	−14
Drip pot	9	7	6	7	− 2
Filter cone	4	3	3	4	—
Steeping pot	3	2	2	2	− 1
Vacuum coffee maker	2	—	1	—	− 2

Source: National Coffee Assn.

Gaining in popularity since 1975, electric drip coffeemakers now make more than 50% of the coffee brewed at home. Their growth has largely been at the expense of percolators—electric and regular.

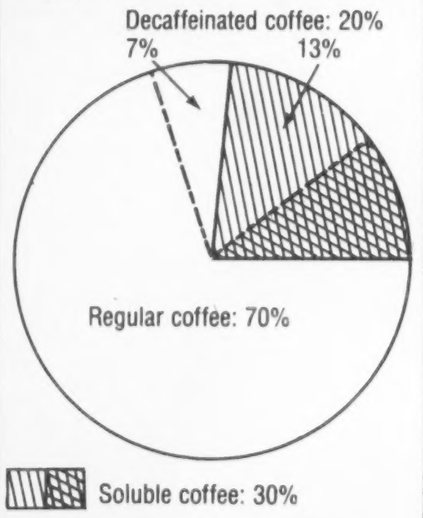
Cups Per Person/Per Day

Coffee	1962	1980	1981	1982	% Change 1981/82
All coffee	4.17	3.57	3.41	3.38	−0.03
Regular	4.36	3.73	3.60	3.55	−0.05
Soluble	3.11	2.53	2.31	2.37	+0.06
Decaffeinated	0.10	0.34	0.33	0.38	+0.28

Source: National Coffee Association

While coffee consumption has been decreasing in America—each consumer drank about 1% less in 1982 than in 1981—the number of people drinking coffee remained virtually constant. Decaffeinated coffee is gaining a larger following: Only 1 in 25 persons drank decaffeinated coffee in 1962; last year 1 in every 7 coffee drinkers opted for decaffeinated—with soluble (instant) brands accounting for approximately two-thirds of the decaffeinated consumed.

Types of Coffee



Source: National Coffee Association

Decaffeinated coffee continued to gain favor with coffee drinkers in 1982, accounting for 20% of all coffee consumed, including 13% of soluble coffee consumption.

Drip coffeemakers, shown at Lechmere, Dedham, Mass., are the strongest selling traffic appliances. Chains report low-end models selling best, but some like Lechmere are finding success with higher-ticket digital clock timer units. *(DSN photo)*

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*Patent 3,952,872

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C5150-3 2/8/83

Toy Supplement: Pp. 33-64

SGMA Show Section: Pp. 78-88

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CD Airs 'Electronic Catalog' on Toronto TV

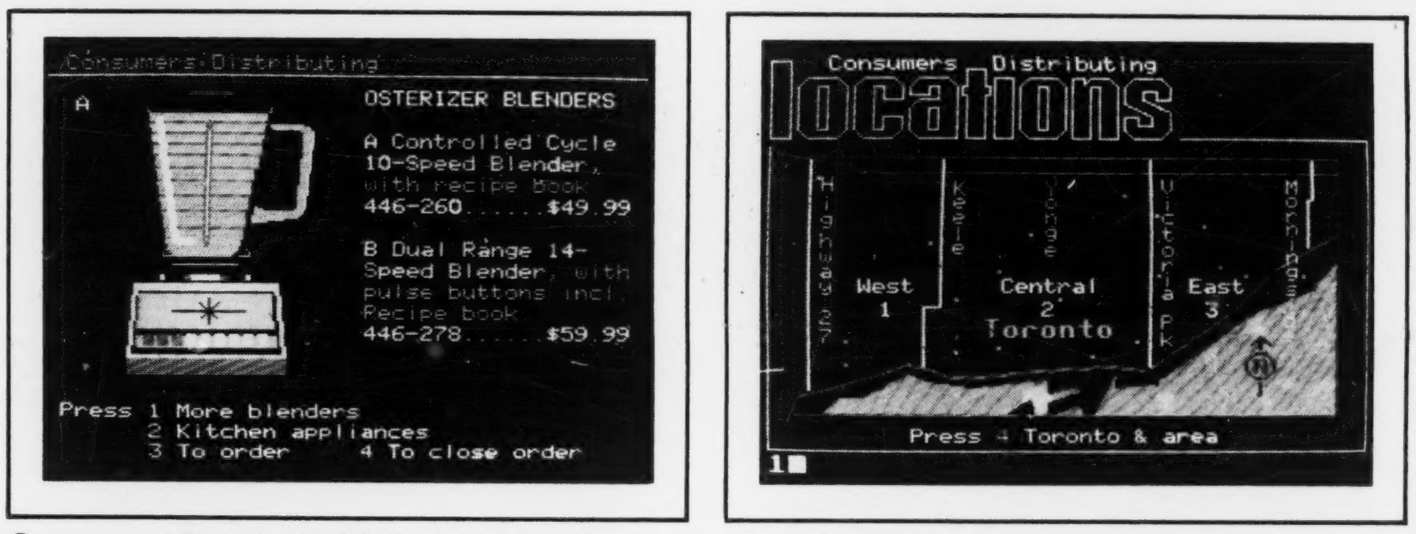
By ARTHUR MARKOWITZ

TORONTO—Consumers Distributing (Canada) has put a 500-page "electronic catalog" on the air here.

The cataloger is offering 340 items to consumers in about 250 homes in Toronto that have TV sets tied into Project Vista, a videotext experiment that offers goods and services for at-home selection.

By participating in the test, the cataloger has been able to explore how information is organized "so consumers find it easy and attractive to use this technology . . . and how you make it friendly," Robert Islinger, manager, media service, explained to *DSN*.

To create the electronic catalog, CD selected the merchandise and designed a data base for the presentation and ordering of goods into eight broad categories, including kitchen (appliances), bedroom (jewelry, radio), den (office equipment) and recreation room (home entertainment).



Consumers Distributing's "electronic catalog" includes "pages" (l.) which show product info, price, sku's and instructions on how to view more items, other categories or to order. Ordering includes calling up map (r.) showing stores in test.

While a number of Canadian retailers are taking part in the test, CD is the first to offer interactive shopping in which a consumer can order merchandise directly through the TV terminals, rather than with a separate phone call.

The cataloger is participating in Vista as a research and development effort, not as a commercial, sales-producing, money-making venture, Islinger said.

However, CD has sold merchandise to participating consumers since joining the test last fall. The experiment will run until September.

Islinger emphasized CD's involvement is to "learn about nonstore and alternative methods of retailing."

He added: "We wanted to learn the technology and techniques of electronic shopping, what merchandise presentation will attract consumers, what are their preferences in goods and what are the best methods of ordering."

The electronic catalog includes 300 "pages" showing merchandise—one or two items to a "page"—and 200 providing institutional information, including ordering instructions, facts about the company and its

(Continued on page 96)

New Characters on Tap For '83

Licensed Goods Spur Toy Sales

Nationwide DSN Report

Despite the few bombs that licensed product lines landed on the toy business in 1982, discounters report character-stamped goods generally helped spur sales in almost every toy category—from plush toys and dolls to tabletop electronic games.

Discount store buyers—at chains like Gold Circle, Grand Central, Heck's, Fishers Big Wheel and Murphy's Mart—concurred that the big names in licenses for 1982 included Strawberry Shortcake, Smurf, Star Wars, Garfield, Pac-Man and G.I. Joe.

In contrast, E.T., Dukes of Hazzard and Annie were virtually "dead," they agreed.

As buying plans for 1983 emerge, many merchants are keying into 1983's new cuddly characters—American Greetings' Care Bears and Hallmark's Shirt Tales. Many are also gearing up for another big Star Wars year with a third film, *Return of the Jedi*, soon to be released.

At Grand Central, Salt Lake City, merchandisers are getting ready to install Care Bears as a "storewide concept," according to Charles Millington, buyer.

By midsummer, Care Bear items will not only stud the 32-unit chain's toy departments, but appropriate licensees will also be cross-merchandised in areas like domestics, children's wear, cards and books.

When evaluating a licensed character's sales potential, Millington considers the "completeness of the line" and the manufacturers' dollar commitment.

That is one reason Dukes of Hazzard is dead, he explained. "They offer very limited catego-

(Continued on page 100)

Digest

Feb. 7, 1983

PHOTO

• **Autofocus 35mm and Disc** cameras are bright spots in the photo picture. (p. 17)

APPAREL

• **Masters becomes the last** national apparel lessee by acquiring 51 sections from Belscot. (p. 73)

SPORTING GOODS

• **Trade-up and an increasing** emphasis on brand names have buyers optimistic on the eve of the SGMA show. (Special section, pp. 78-88)

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New Reagan FTC Appointee Is No Rubber Stamp, But . . .

By KEN RANKIN

WASHINGTON—The newest Reagan Administration appointee to the Federal Trade Commission—conservative Texas economist George Douglas—served notice that he won't rubber-stamp Federal antitrust enforcement policies aimed at reviving fair-trade-style pricing restraints against the nation's discount chains.

At the same time, however, Douglas hasn't publicly repudiated efforts to legalize resale price maintenance (RPM) and some Washington lobbyists for the discount store industry fear that the new FTC Commissioner may yet join other Reagan antitrust officials in pushing for a major shift in Federal enforcement activity.

Douglas's vote on the five-member trade commission is critical to FTC Chairman James Miller's plan to relax Federal antitrust restrictions on the power of manufacturers to control retail price structures.

Under the current law, RPM is an automatic or per se violation of antitrust law. Miller, along with other administration antitrust appointees at FTC and the Justice Department, have taken the stand that resale price fixing should be legal unless there is proof that the manufacturer imposed these restrictions for a clearly anti-competitive purpose.

For the past year, however, FTC's five-member "bench" has been one commissioner

(Continued on page 100)

Space-Saving Electrics To Bow in Second Half

By MARILYN NEERMAN

CHICAGO—The electric housewares category—one that most buyers agree could use a lift—may be getting one in the second half of 1983 with the proliferation of under-the-counter and wall-mounted appliances.

Merchants from such catalog showroom chains as Modern Merchandising, Service Merchandise, L. Luria and Paul Schultz, who previewed second-half merchandise at the January housewares show, all responded enthusiastically, saying the under-the-counter or wall-mounted traffic electrics could be a major new sales stimulating trend.

(Continued on page 95)

Future innovations in electrics were a hot topic at the NHMA show (top, right), attended by key merchandisers like Mark Young of Zayre (bottom, left) and Steve Ferguson of H. J. Wilson. (Other photos, p. 95.)

Old-liners: Foes Thin Kids' Wear Markup

NEW YORK—Are the days of "keystone" (50%) and "keystone-plus" markups over for department and specialty store children's wear retailers?

Faced with growing competition from discount and off-price chains, the answer, according to NRMA panelists, may be "yes."

Price competition was one of the issues tackled at the NRMA session, "Children's Wear: Essential Elements of Profit Power." Department and specialty store panelists provided discounters with insight into some of their problems and plans for coping.

Participating were: Fran Green, merchandise manager of the Richmond-based department store, Miller & Rhoads; Jim and Steve Goodman, principals in the nine-unit Youthland chain, headquartered in Columbus, Ohio, and John Byrnes, a partner in the New York City children's operation, Cornell's.

Referring to the off-price competition, stocking such brands as Levi's and Izod, and chipping away at the full-markup retailers' boys' business, Steve Goodman commented,

NRMA

"Perhaps this department doesn't deserve as much space as we give it; perhaps our planned margins are too unrealistic with people like Bradlees and Gold Circle working on low-maintained margins."

He added, "If brand name manufacturers selling to discounters bothers you, maybe it's time to change professions; you have to learn to merchandise around this."

"If a brand is selling to the 'discies,'" Jim Goodman noted, "you better get out of that brand. But, in five years we may have no brands; that's a dilemma I don't know the answer to.

"In big boys', I made up my mind I didn't want to get into the price wars. I keystoned goods, but then I started marking goods $1 lower: we sold more. We found if we stay with a brand we don't have to be 'down and dirty' in price every day. We offer customers stock, sizes and service."

Fran Green of Miller & Rhoads said although there weren't too many discounters with children's brands in her

(Continued on page 100)

More People Shop Discounters Than Any Other Retailer: NRMA

NEW YORK—The good news is more people shop discounters than any other retail segment in any given week: 33% as compared to 24% for department stores and 26% for national chains.

More good news: most future purchases are made by people who right now aren't planning to buy. In one week Americans buy over 450 kinds of merchandise.

The bad news: Despite auto operating costs, consumers are still willing to get in their cars and comparison shop. Of those making a purchase over $300, 35% traveled 10 miles or more to buy it.

These and other results of a new study called "How America Shops and Buys" were reported to retailers attending the 72nd annual National Retail Merchants Association convention here.

The study, conducted by the Newspaper Advertising Bureau (NAB), polled nearly 4,000 people—2,380 women and 1,610 men—over a two-week period. Shoppers were asked where they had shopped and bought during the previous week, and what they planned to buy in the immediate future. A week later, they were called and questioned again.

The study also revealed that 6 out of 10 shoppers feel it doesn't matter whose name is on the label if the store where they shop is reliable. Only 16% of those polled said they didn't have a store in mind for a purchase they planned to make.

The trick then becomes how to convert shoppers into buy-

(Continued on page 100)

Conversion Rates*

Retailer	Men's Wear	Women's Wear
National Chains	74%	61%
Department Stores	69	69
Discount Stores	58	74
Men's Specialty Stores	78	NA
Women's Specialty Stores	NA	78

**Ratio of purchasers to shoppers. NA—Not available.*

Source: Newspaper Advertising Bureau.

Product-Liability Bill To Be Reintroduced

WASHINGTON—Sen. Robert Kasten (R-Wis.) plans to introduce legislation that will shield retailers from product liability suits, Senate Commerce Committee officials told *Discount Store News.*

The new bill will be identical to product liability legislation proposed by Kasten during the last session of Congress. Among other things, that bill protected discount stores and other nonmanufacturing retailers from being sued by consumers who were injured by defective products.

In addition, the bill would have pre-empted the flurry of inconsistent state product liability legislation and barred certain claims after a specific time period following the sale of a product.

Despite strong support from the retail industry and other business groups, the proposed legislation ran out of steam in the closing weeks of '82. A Senate Commerce Committee spokesman noted that the "bill simply died because Congress ran out of time."

At presstime Kasten was actively getting co-sponsors for his bill.

Wal-Mart's Home Division Gets 3 More Categories

BENTONVILLE, Ark.—Wal-Mart has restructured its merchandising operations to distribute the chain's growing volume more evenly.

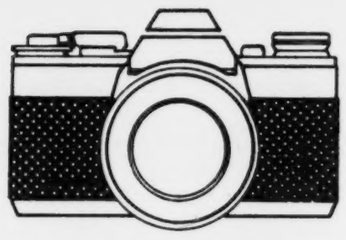
Starting the first of the year three categories previously considered hard lines—lawn & garden, candy and seasonal—were assigned to the home area under vp, gmm Bill Fields.

"Even with the changes, the hard lines volume load is still much heavier than that of the other divisions," said Al Johnson executive vp of merchandising and sales.

"People often fail to realize that with our year-to-year volume growth every merchandise manager faces huge yearly workload increase."

To handle the increased volume at the start of 1982, the chain broke out a separate home division in addition to hard lines and soft lines divisions to take over the housewares, home furnishings, fabrics and domestic categories.

Send Display Photos to DSN



Win $100 Every Month

Display Photo Contest

Prizes: One $100 prize each month to the store or department manager with the best display idea. A $250 grand prize winner will be selected at year's end from the winning display entries.

Purpose of the Display: ___

Name: ___

Company: ___

Address: ___

Zip ___

Rules: Entries must be received by *Discount Store News* by the 10th of each month. Only black and white photographs will be considered. Send to: Photo Contest Editor, Discount Store News, 425 Park Ave., New York, N.Y. 10022.

Now is the time to get credit—and $100—for good display ideas like this high-flying tent at Nichols, Salisbury, Md. Store and department managers are invited to submit—up to three entries each month—black and white photographs of successful merchandise displays you have created in your stores. One winner will be selected each month and a $100 prize awarded. A $250 grand prize winner will be selected from the monthly winners at the end of the year. Beginning with the Feb. 21 issue, a winning photograph will appear in this spot once a month.

General Sessions, Workshops Set For NMRI Personnel, Ad Parleys

NEW YORK—The National Mass Retailing Institute has finalized plans for two major conferences.

The association will hold its annual personnel conference Feb. 16-18 at the Sheraton Hotel in Atlanta.

The 12th annual advertising conference will be held at the Marriott Hotel in Chicago, March 23-25.

The personnel conference will open with a general session at 3 p.m. on Wednesday, Feb. 16, and will end on Friday, Feb. 18 at 1:15 p.m.

The conference will feature general sessions and concurrent roundtable workshops. Workshops will focus on unemployment compensation, benefits, video employment testing, buyer training and other topics.

General sessions at the advertising conference will focus on "Marriage Mail and TMC"; "The Changing Face of the American Consumer"; "How Five Mass Retailers Use TV," and other topics.

Workshops will be held on co-op advertising, merchandise item and space allocation, and justification for advertising.

Retailers interested in attending either conference should contact Carol W. Atkin, educational services director, NMRI, 570 Seventh Ave., New York, N.Y. 10018.

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Vol. 22, No. 3 Feb. 7, 1983

HEALTH & BEAUTY AIDS

Sunscreens, Aftertans Up Impact

Sunscreens and aftertan treatments are gaining in their impact on the suntan preparations market.

The accompanying Product Movement Audit supplied by Boston Distributors, Maple Heights, Ohio, illustrates movement for the 1982 selling season.

For the first time, an aftertan treatment, Solarcaine lotion, was among the top 10 products within the category, having gone from the No. 14 spot to the No. 6 spot during the past season. Tan Care from Coppertone showed up for the first time in the No. 31 slot.

In sunscreens, PreSun from Westwood regained its importance in the market, earning the No. 17 spot for 1982 after dropping to No. 37 the previous year. Coppertone's Shade lotion moved up seven rankings, from No. 25 to No. 18. Coppertone Super Shade jumped from No. 28 to No. 25.

Sundown formulas from Johnson & Johnson also showed increased movement with Maximum Protection Formula bounding from No. 35 to No. 26. Sundown Ultra Protection edged up to No. 12 from No. 13 a year earlier.

Overall, Plough, maker of Coppertone, Tropical Blend and For Faces Only, led in the suntan category with 56.6% of the business for the past season.

Hawaiian Tropics from D. Faughn followed Plough with 22.9%. Hawaiian Tropics occupied three of the top 10 positions on the movement chart.

Johnson & Johnson ranked third in the market with its Sundown line winning close to 6% of the volume. Bain de Soleil and Sea & Ski products each garnered 4% of the business.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	SUNTAN PREPARATIONS			
1	Coppertone Lotion 8 oz	10,044	3.77	37,887.00
2	Hawaiian Tropic Dark Tanning Oil 8 oz 2028	10,512	2.89	30,351.10
3	Hawaiian Tropic Dark Tanning Oil 8 oz 2038	9,828	2.87	28,212.60
4	Q.T. Lotion 4 oz	7,764	3.32	25,767.30
5	Coppertone Oil 8 oz	5,916	3.73	22,096.10
6	Solarcaine Lotion 6 oz	7,428	2.85	21,205.60
7	Tropical Blend Oil 8 oz	5,424	3.47	18,812.30
8	Coppertone Lotion 4 oz	6,072	2.85	17,334.20
9	Hawaiian Tropic Royal Blend 8 oz	3,456	3.06	15,262.00
10	Tanning Blanket	4,992	2.59	12,914.20
11	Hawaiian Tropic Forever Tan 8 oz	3,276	3.74	12,244.70
12	Sundown Ultra Protection 4 oz	2,868	4.09	11,744.20
13	Tropical Blend Lotion 8 oz	3,348	3.47	11,611.60
14	Hawaiian Tropic Professional Oil 8 oz	3,000	3.57	10,070.60
15	Coppertone Tropical Lotion 8 oz	2,268	3.88	8,794.50
16	Coppertone Oil 4 oz	3,036	2.85	8,667.10
17	Presun Lotion 4 oz	2,448	3.40	8,320.00
18	Coppertone Shade Lotion 4 oz	2,652	3.09	8,188.70
19	Sudden Tan 4 oz	2,196	3.71	8,136.70
20	Hawaiian Tropic Tan Oil 8 oz 1038	2,508	3.23	8,092.50
21	Coppertone Tropical Oil 8 oz	1,944	3.88	7,538.70
22	Solarcaine Aerosol 3 oz	2,868	2.62	7,524.40
23	Tropical Blend Lotion Pina Colata 8 oz	2,040	3.68	7,507.50
24	Sea & Ski Baby Oil 4 oz	3,492	2.15	7,503.60
25	Coppertone Super Shade 4 oz	1,884	3.95	7,442.50
26	Sundown Maximum Protection 4 oz	1,884	3.90	7,347.60
27	Bain de Soleil Tan Oil 4 oz	2,496	2.85	7,105.80
28	Coppertone Shade Plus 4 oz	1,824	3.80	6,943.30
29	Sea & Ski Lotion Green 4 oz	2,868	2.28	6,532.50
30	Bain de Soleil Gelee Orange 3⅛ oz	2,268	2.85	6,457.10

Figures, for the entire suntan season of 1982, were reported by Boston Distributors, a division of Cook United, Maple Heights, Ohio. The company supplies 600 stores including 360 discount stores in 18 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

Comparison Made Easy

To win better margins on private label, Bradlees, Hingham, Mass., positions its own-brand toothpaste opposite the national brand at a price 50¢ cheaper. *(DSN photo)*

Merry Christmas For Venture

ST. LOUIS—Venture stores had a sales increase of 16.8% for the five-week period ended Jan. 1, according to a preliminary sales report from its parent company, May Department Stores.

Sales for the 47-unit discounter were $128.6 million, an increase of $18.5 million. Store-for-store increases were 11.8%.

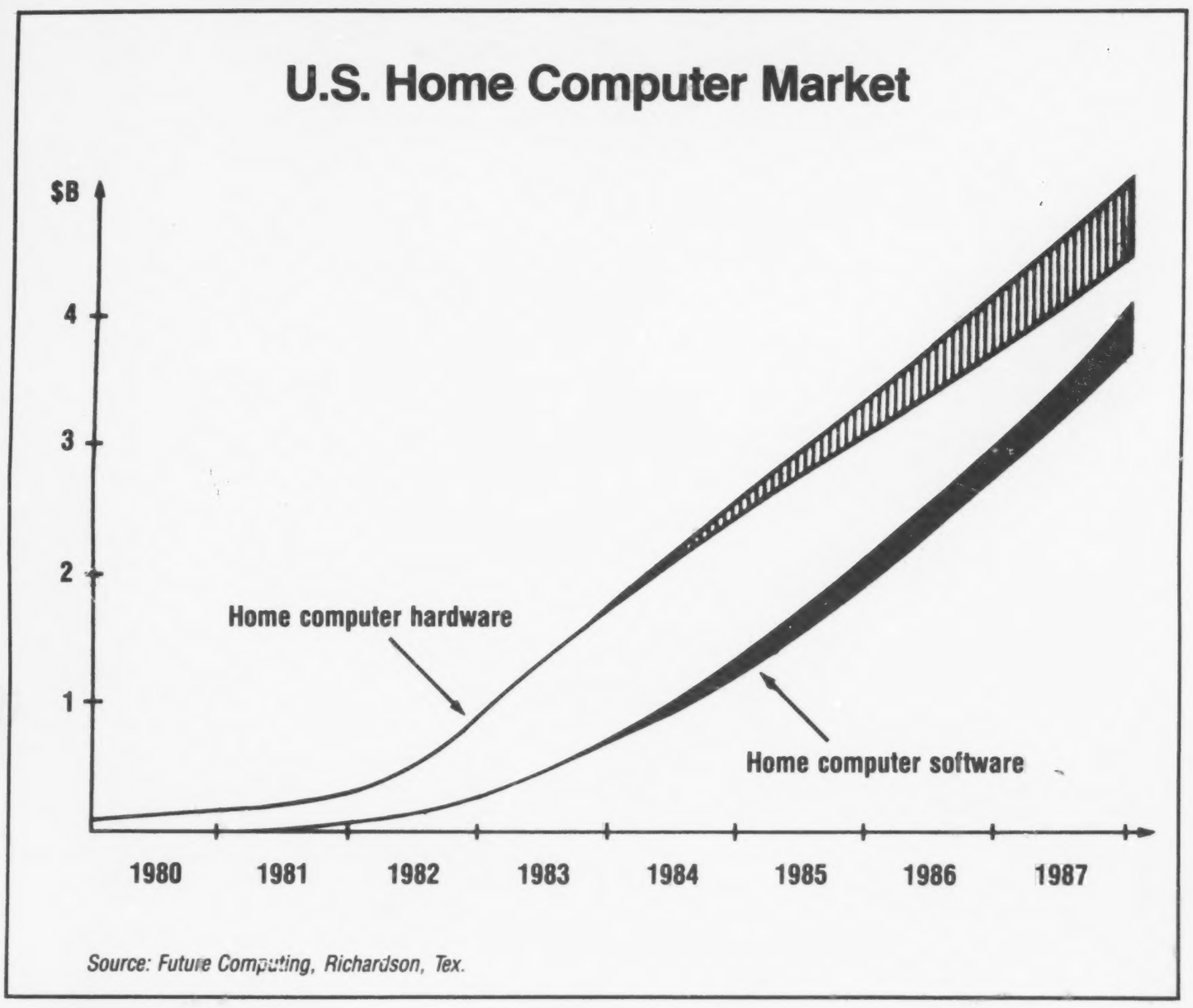
Year-to-date sales for Venture were $640.3 million, a 10.7% increase over the same period in 1981. Store-for-store increases were 9.6%.

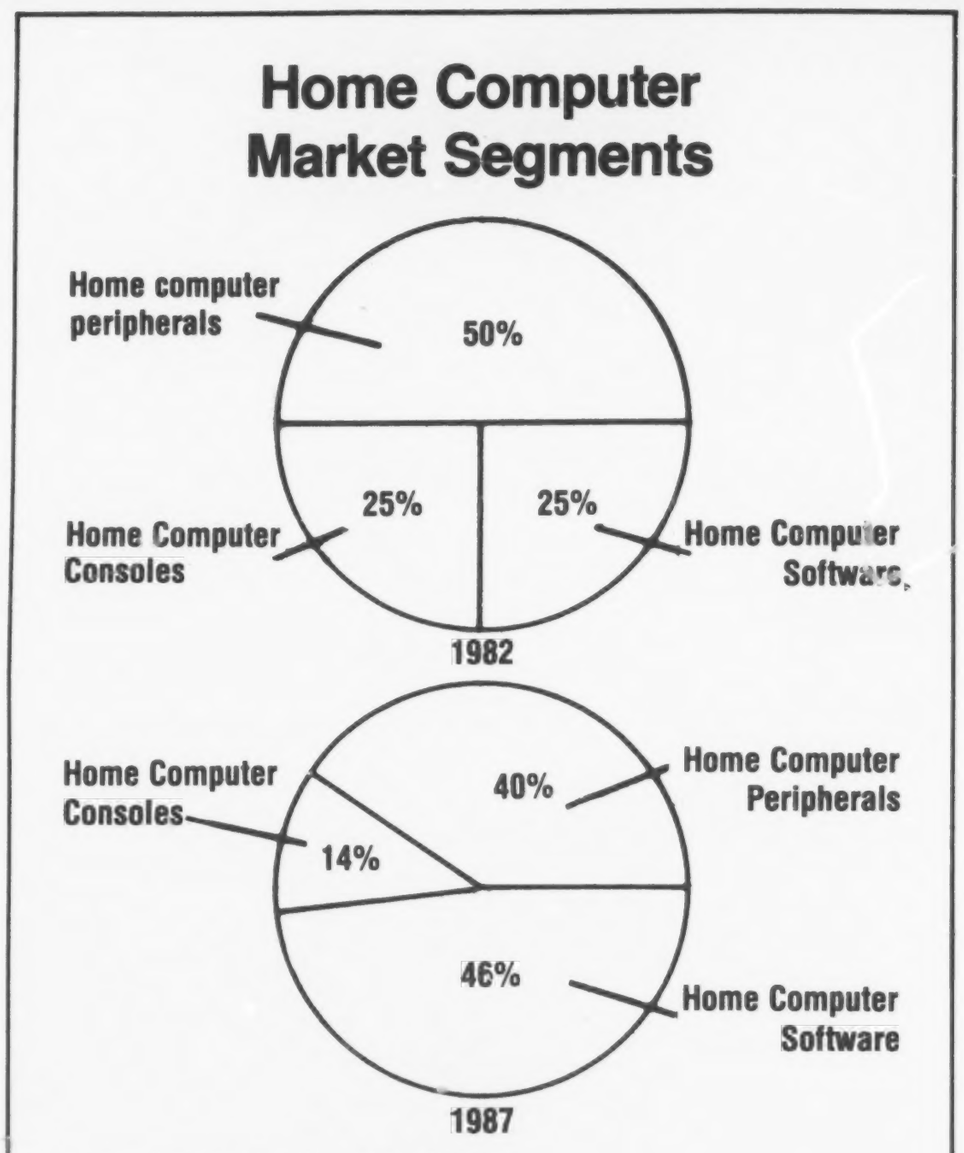
Venture's performance for the five-week period topped that of its parent company. May did $667.1 million, a 10.3% increase. This was a record sales figure for the company in any given month.

May executives said: "We are encouraged by our record sales results of December. This was our second consecutive month of double-digit sales increases, reflecting greater confidence and willingness to buy on the part of the consumer. Sales for December were particularly good for the few days before Christmas, and continued favorably the week following."

Capture the Baby Market with Gerber
Gerber
Nurser Bottle Holder Set
Gerber
7 PIECE BIB
Rattle
Disposable Bottles
Drawer Latches
Pacifier
Let Gerber attract more customers for you with their extensive baby product line.
When new mothers shop for all their baby needs, they appreciate one-stop shopping convenience. When you carry the Gerber baby product line, your customers won't have to look anywhere else.
Increase dollars per customer transaction.
By providing one-stop shopping convenience for your customers, you'll see an increase in both planned and impulse sales.
Keep customers coming back for all their baby care replacement needs.
The Gerber product line has a high quality image that always meets your customers' expectations. Once customers make their initial Gerber purchase, their satisfaction will bring them back to your store again and again.
Make sure you carry these profitable Gerber product categories!
• Hankscraft Humidifiers & Vaporizers
• Reusable and Disposable Nursing Accessories
• Gift Sets
• Feeding Accessories
• Pacifiers and Teethers
• Child Proofing Accessories
• Rattles and Toys
• Diaper and Carry-All Bags
• Clothing
• Vinyl Pants
Contact your Gerber Sales Representative for advice on stocking and displaying the Gerber line of products.
Babies are our business...and have been for over 50 years.
Gerber
Gerber Products Company Fremont, Michigan 49412

Skyrocketing Five-Year Growth Is Projected





Probable Hikes In State Taxes Worry Chains

By LAURA WODA

WASHINGTON—For the second straight year retailers are worried about an expected flood of tax hikes by states to raise badly needed revenues, a minipoll by *Discount Store News* discovered.

While state lawmakers talked a tough game last year, introducing a flurry of tax legislation, very few revenues increasing bills affecting discount chains actually became law. But, politicians fearful of raising taxes during an election year only delayed the day of reckoning to 1983.

Despite assurances from the Reagan Administration that economic recovery is right around the corner, many states find themselves in even deeper financial trouble today, than a year ago.

Since *DSN* spoke to Wisconsin legislative experts last year, the state's budget deficit has jumped from $1 billion to $2 ½ billion with no immediate relief in sight.

Problems Seen

Such crippling deficits coupled with victories throughout the country by liberal candidates have left many state retail associations apprehensive about the coming year.

Unlike last year many state legislatures are now controlled by Democrats who traditionally haven't been sympathetic to the problems facing retailers," Wisconsin Merchants Federation vice president Douglas Johnson told *DSN*.

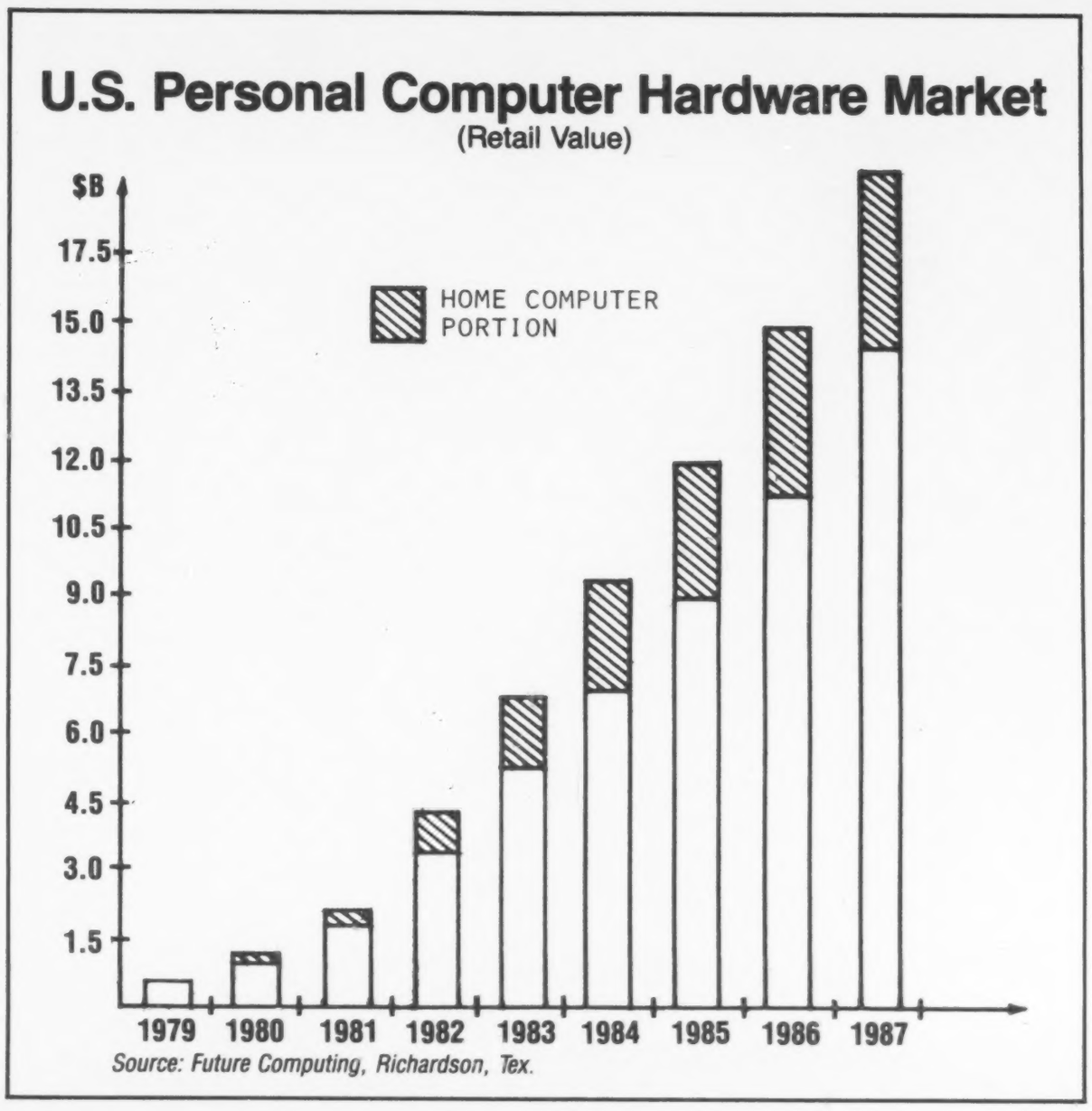
Illinois Retail Merchants Association government affairs vice president David Vite expressed similar sentiments, noting that the "new democratic majority in Illinois' legislature will make it tougher for business to hold its own during these financially tough times."

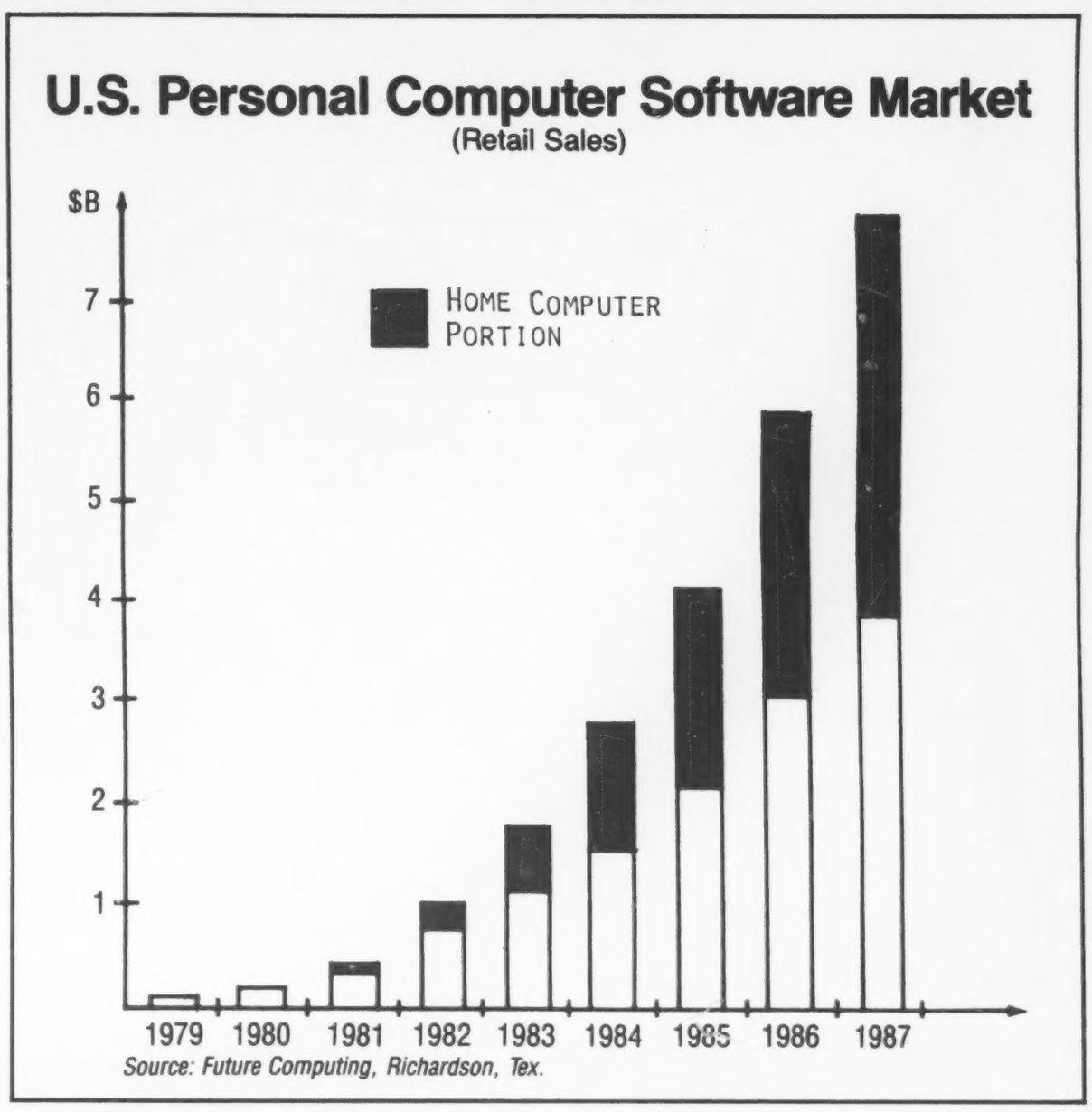
Revenue measures being considered by states across the country range from accelerating the sales tax collection rate from once a month to every week in Missouri, to reducing

(Continued on page 29)

OOO-LA-LA,

For Home- and Personal-Computer Business





they're fake.

These designer jeans may fit well.

They also may well be counterfeit.

Because today at least one source estimates that the market for stolen and counterfeit jeans, electronic goods, and a number of other products is almost as large as it is for the real things.

Which is a real shame.

These rip-off artists aren't just ripping off authentic designers and manufacturers. They're also short-changing the government on taxes. And swindling consumers. (After all, Sony won't fix a phony.)

Who are we to care so much about counterfeiting? We're Lebhar-Friedman, the largest publishers of magazines and newspapers directed to the retail community. In fact, the businesses to which our publications are addressed represent over 70% of the total distribution of goods and services in the U.S.

So anything that is of concern to retailing is of concern to us. And we write about it. (In fact, you might be surprised by the number and kinds of issues we address.)

We're not saying we have all the answers—or even any answers sometimes. But we are bringing important issues to light.

That, combined with news and solid economic reporting, is what makes our publications so well read. And so often copied.

LEBHAR-FRIEDMAN, INC.

THE VOICE OF RETAILING
425 Park Avenue, New York, N.Y. 10022 (212) 371-9400

Chain Store Age General Merchandise, Chain Store Age Supermarkets, Chain Store Age Executive, Discount Store News, Drug Store News, Nation's Restaurant News, National Home Center News, Food Merchandising For Non-Food Retailers, Retail Technology, Largo Music Inc., Lebhar-Friedman Books, Chain Store Guide, Mail/Marketing Resources, Research & Information Services, "Inside Retailing".

State Taxes

(Continued from page 28)

the retailers' collection allowance from the present 1% to 0.8% in Indiana.

In addition, legislators are interested in finding ways to beef up their depleted unemployment compensation funds. Vite noted that "this year Illinois will have to pay $60 million in interest charges to the Federal Government to keep the state's unemployment compensation program afloat."

While it is too early to predict what changes might be made in the current unemployment compensation laws, Vite maintained that "employers in Illinois should expect to make larger contributions to the fund in the future."

Texas lawmakers have already proposed increasing employer contributions to that state's unemployment fund by a hefty 300%; currently employers pay a minimum of 1/10 of 1% on the first $7,000 of wages.

While Texas Retailers Association Executive vice president Michael Moore acknowledged that a bill increasing the amount of money a firm must contribute to the unemployment compensation fund will pass this session, he maintained that "our job is to keep the increase as equitable as possible."

Problems Anticipated

While state legislators will be primarly concerned with raising money, retail leaders expressed fears that other types of legislation opposed by the industry may be passed.

One battle that will be fought in at least New York, Indiana, and Texas centers on lowering interest charges on proprietary credit cards. In New York this issue will get high priority because the 1980 Omnibus Banking Law sunsets this year, state retail leaders told *DSN*.

Under that statute retail store credit card interest charges were deregulated and many consumers believe the time has come to set those charges at considerably lower rates than the present 18% average, New York State Council of Retail Merchants public relations director Estelle Yarinsky said.

(Continued on page 97)

TOYS

Discounters' Sales/Ft. Up, Markup Down

	1972	1975	1976	1977	1978	1979	1980	1981	1982	10-year change	5-year change	'82 vs. '81
Dept. Size (sq. ft.)	3,100	2,800	2,746	2,646	2,646	2,646	2,660	2,660	2,650	−14.5%	+ 0.15%	−0.37%
Annual Turns	4.8	4.5	3.8	3.8	3.7	3.7	3.8	3.6	3.4	−29.2%	−10.50%	−5.50%
Volume per sq. ft.	$92.00	$85.00	$111.60	$116.28	$120.50	$130.03	$141.00	$147.00	$154.00	+67.4%	+32.40%	+4.80%
Initial Markup (%)	33	32	34	34	33	33	36	35	33	NC	− 2.90%	−8.6%
Gross Margin (%)	28	29	29	29	28	26	29	28	26	− 7.1	−10.30	−7.10
Company Run (%)	88	94	96	96	96	96	96	96	NA	NA	NA	NA

NC—No Change. NA—Not Available. *Source: DSN research*

Ride-ons

(Continued from page 49)

area, the Prange Way spokesman said, "The big ones are Smurf and G.I. Joe."

Prange Way and lessee Biggs-Hardex reported no problem with stocking licensed ride-ons with a regular price in the area of $25; merchants from both companies said they moved when promoted.

Bob Hiteshew, vice president of Biggs-Hardex, said: "The dividing line seems to be $20 for the big and mini-wheel pedal ride-ons. We did very well with the G.I. Joe, Pac Man and Smurf licensed items. We expect G.I. Joe and Smurf to continue into 1983, and we're also going to be looking at the new ride-ons with the Shirt Tails characters."

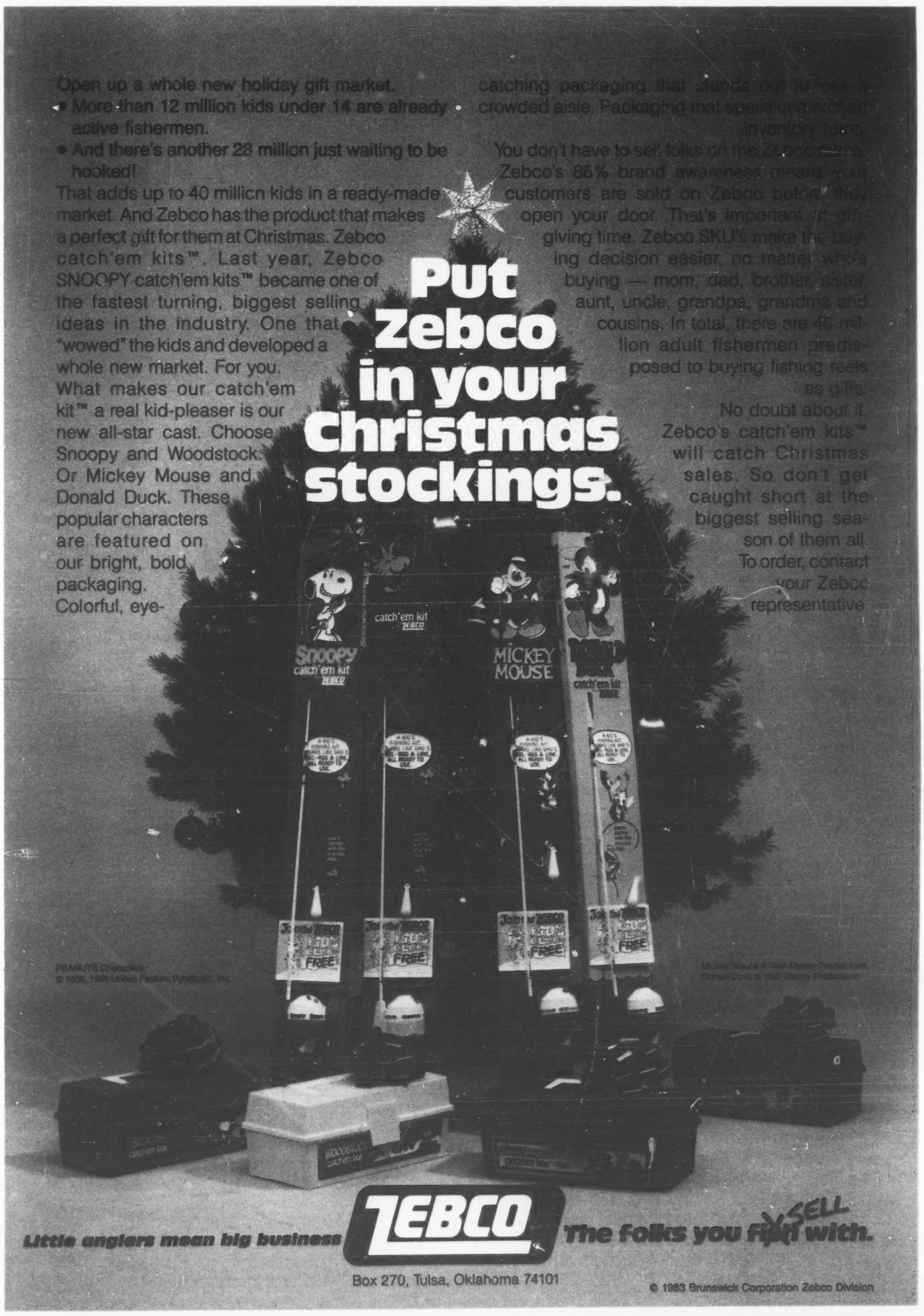
Despite some mixed sales results, many chains leaned on licensed ride-ons in year-end promotions. Child World's pre-Christmas circular featured a group of six licensed big-wheel-type ride-ons priced from $18.99 for the Chips Cycle; $19.99 for the Smurf Cycle and the Barbie Low Rider, and $23.99 for the Pac Man, Dukes and Strawberry Shortcake cycles.

Zayre used a sharper pencil in its promotion of the same Hedstrom Strawberry Shortcake Cycle, featuring it at $22.99, regularly $29.99.

One ride-on area several buyers reported as slow moving was steel-framed, battery-operated merchandise. Magic Mart's buyer Gary Jackson said the chain carried three sku's in battery-operated models, priced around $70, and wasn't successful with them.

Hiteshew, of Biggs-Hardex, had a similar report.

"We did virtually nothing in battery-operated models because the price, in the $70's, is too high in today's economy. We're backing off of that category for spring because we believe the consumers' dollars being spent for video games are eating into that market."


Open up a whole new holiday gift market.
• More than 12 million kids under 14 are already active fishermen.
• And there's another 28 million just waiting to be hooked!
That adds up to 40 million kids in a ready-made market. And Zebco has the product that makes a perfect gift for them at Christmas. Zebco catch'em kits™. Last year, Zebco SNOOPY catch'em kits™ became one of the fastest turning, biggest selling ideas in the industry. One that "wowed" the kids and developed a whole new market. For you.
What makes our catch'em kit™ a real kid-pleaser is our new all-star cast. Choose Snoopy and Woodstock. Or Mickey Mouse and Donald Duck. These popular characters are featured on our bright, bold packaging. Colorful, eye-catching packaging that stands out across a crowded aisle. Packaging that speeds unattended inventory turns.
You don't have to sell folks on the Zebco name. Zebco's 86% brand awareness means your customers are sold on Zebco before they open your door. That's important at gift-giving time. Zebco SKU's make the buying decision easier, no matter who's buying — mom, dad, brother, sister, aunt, uncle, grandpa, grandma and cousins. In total, there are 46 million adult fishermen predisposed to buying fishing reels as gifts.
No doubt about it. Zebco's catch'em kits™ will catch Christmas sales. So don't get caught short at the biggest selling season of them all. To order, contact your Zebco representative.
Put Zebco in your Christmas stockings.
catch'em kit ZEBCO
Snoopy catch'em kit ZEBCO
MICKEY MOUSE
Donald Duck catch'em kit ZEBCO
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Little anglers mean big business
ZEBCO
The folks you fish with. SELL
Box 270, Tulsa, Oklahoma 74101
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Trucks

(Continued from page 57)

were "decent" in 1982, but he didn't attribute the success to rebate programs.

"Consumers today are looking for quality and value," stated Katz, "and steel trucks project just that."

Similarly, at the Farmingdale, N.Y.-based discount toy chain, diecast trucks "weren't dead at all." He said, "We are selling more of them now than ever before. The problem is that there are just too many people in the business."

"There are too many sku's," echoed Heck's buyer Robert Kuhns. "Buyers don't know which way to go." He noted a slight sales dip in 1982, but remarked, "Kids are still collecting them."

For 1983, the 122-unit chain may move its diecast line-up from a separate peg area to a peg section right next to its big steel trucks.

In the larger steel truck category, Kuhns also reported increased traffic due to manufacturer rebates. However, he said while these programs offered good value to the customers, they bring in "no profit to the retailer."

Zayre, for example, ran a pre-Christmas Tonka advertisement featuring five truck and jeep models. Mail-in rebates ran as high as $5. On a truck regularly priced there at $24.99, the final cost to the Zayre shopper was as low as $12.96.

Meantime, at Heck's 24-ft. steel truck department, price points range from $3 to $12. "Anything that gets higher than that we have to take a long look at," said Kuhns. "After all, toys aren't a necessity of life. They are a luxury, and today many people have had to eliminate the luxuries."

Drawback Noted

Sales in the category at Grand Central, the Salt Lake City-based discounter, were very slow in steel trucks with a lot of carryover in all four of the chain's lines—Tonka, Nylint, Ertl and BuddyL, according to buyer Charles Millington.

For 1983, in fact, he plans to trim sku's in the category 30% to 40%.

Millington had expanded the chain's commitment in 1982, "and that was a mistake," he admitted. Products over $10 "are a problem to sell." For 1983, he will concentrate on trucks in the midrange—$10 and under.

In diecast toys and trucks, Grand Central will undergo even more drastic inventory reductions.

"Kids aren't buying them," observed the buyer, looking at an 80% sku-cut for 1983. "The business just isn't there. Sales peaked in 1981, but no one thought it would end this fast."

A major midwestern chain reported similar results.

"Diecast is dead," exclaimed a company spokesman. "Sales have almost stopped altogether," he said, noting plans not to buy again until he reduces his current "huge inventory."

"When we do reorder, we are going to cut way back," he added."

On the other hand, steel truck sales there were "phenomenal." The chain's large Tonka assortment—including 24 sku's—"sold very well," he reported. The action was in the $15 big trucks, with price points ranging from $2.99 to $24.99.

SPORTING GOODS

Names Make News

To tap consumers' preference for name brands in camping gear, Zayre set display models of Coleman lanterns and camp stoves out on an endcap display to draw customers into the section. *(DSN photo)*

Discounters' Sales/Ft. Rise, Turns Drop

	1972	1975	1976	1977	1978	1979	1980	1981	1982	10-year change	5-year change	'82 vs. '81
Dept. Size (sq. ft.)	2,500	2,500	2,500	2,600	2,650	2,550	2,500	2,500	2,500	NC	− 3.8%	NC
Annual Turns	2.7	3.0	4.5	4.3	3.5	3.5	3.1	2.9	2.5	− 7.4%	−41.9%	−13.8%
Volume per sq. ft.	$70.00	$72.00	$122.58	$118.34	$120.32	$124.13	$129.00	$132.00	$149.00	+112.9%	+25.9%	+12.9%
Initial Markup	34	34	34	34	34	35	35	36	37	+ 8.8%	+ 8.8%	+ 2.8%
Gross Markup	27	27	26	29	26	27	28	30	31	+ 14.8%	+ 6.9%	+ 3.3%
Company Run (%)	81	91	96	96	96	96	96	96	NA	NA	NA	NA

NC—No Change. NA—Not Available. *Source: DSN research*

Magnetic Reels Gain

(Continued from page 79)

"After Father's Day I won't reorder anything in fishing," said Edding, who is going into the season with some carryover stock from last year.

Graphite rods priced at $70 to $80 will be dropped from the section, with the emphasis on combination rod/reel kits in the $20 to $30 range, according to Edding. He will continue to stock six trolling rods within the price range.

At Yellow Front stores in Phoenix, magnetic reels priced from $79 to $89 are on board for spring. Sku count in rods and reels has been whittled by about 15 over the last few years, said buyer Gary Lawson. On combination kits he is holding prices under $29.

A magnetically driven reel priced at $65 is being stocked at Heck's this spring. Buyer Rex Workman believes enough consumers are now familiar with the Mag Force concept to warrant carrying the higher price points, despite last year's shift to lower-ticket combination kits.

At Magic Mart, buyer Robert Schnebelen hopes to boost fishing sales by revamping his presentation and adding a few hot sellers. He picked up two sku's of magnetically driven reels from Shimano, priced at $45 and $79, plus some high-quality graphite rods.

He also is aiming for a new market: kids. He will continue stocking a Junior Field Tester combo rod/reel kit for kids. The kits were tested at Christmas with strong sales results. This spring he will complement the combo kit, tagged at $12.88, with a 200-piece tackle box, also for kids, priced at $11.88.

Boating supplies, with margins averaging 45%, also comprise an area where growth is expected at the Arkansas-based chain.

This spring Schnebelen will feature an 8-ft. section of marine supplies. The star of the new presentation will be portable boat seats, hot items last year.

Extra! Extra!

Exercise equipment with extras will be appearing at more chains this year. Gold Circle, Buffalo, calls special attention to the added features of the weight-bench assortment, priced up to $70. *(DSN photo)*

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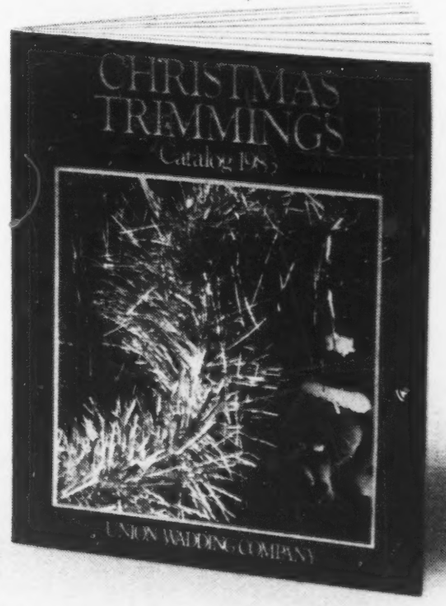

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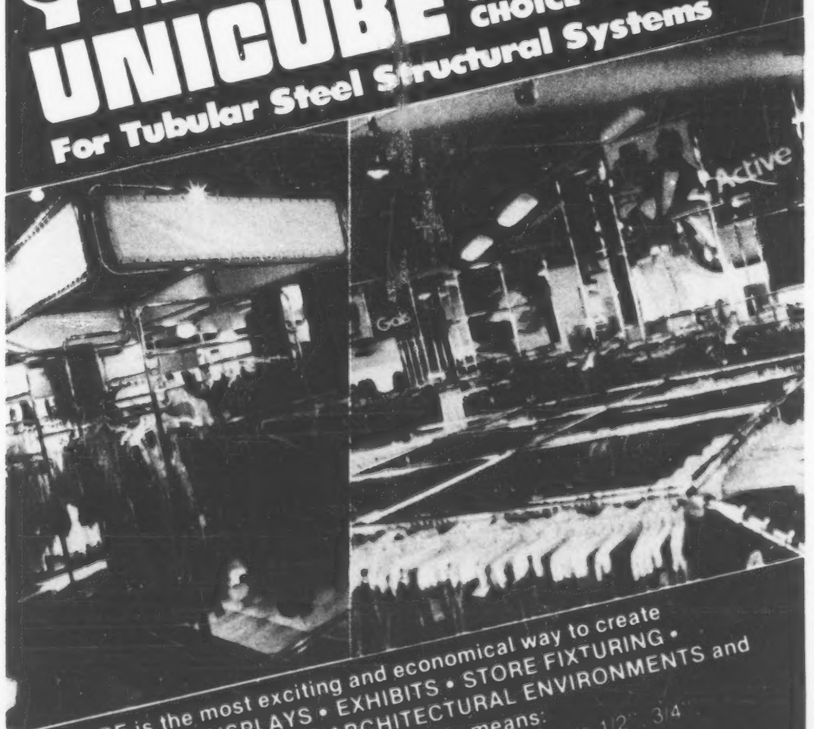

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Discounters Pack CES Booths, Lured by Hot New Items

(Continued from page 3)

Rose's, ShopKo, Danners and Nichols reportedly were looking to get into or expand chainwide personal computers and/or software programs. Representatives of two variety store chains, Macks and Walker Stores, were also reportedly considering hardware programs for their chains, further underscoring the far-reaching appeal and implication of the category.

Hills vice president Peter Hayes reported that moves to split the consumer electronics department into separate areas have already begun at his chain.

Setup Is Refined

"Before, we had one person buying electronics and computers; now we have two. One buys audio and the other buys computers and video games," Hayes said.

Within the coming weeks the chain will be finalizing its plans for 1983, which will result in dramatic changes in the department, including more service.

"We are in the process of bringing vendors back to the office for line reviews," Hayes continued. "We are giving a lot of consideration to doing something very comprehensive in the category this year."

The chain currently stocks the Timex Sinclair 1000, the Texas Instruments 99-4A chainwide and the Atari 400 in selected stores.

"We don't see us in anything priced over $500," Hayes said. He added he wouldn't be surprised to see wholesale prices driven down by midyear, "but we automatically look at merchandise in terms of good, better, best stocking."

In game software—"We will only carry software that's compatible with the hardware we'll carry"—the chain will use jobbers to keep stock titles in line.

Telephones, to date, have been a category "we were in but not successful with."

Hayes said they will treat telephones almost as a fashion category this time around. "We'll be there with name brands—G.E. looks good to us right now—and we'll be in the business every day."

Two computer tests are currently under way at Jamesway. Ten stores carry the Atari 400, Commodore Vic-20 and the Timex Sinclair 1000. The Texas Instruments 99-4A, tagged at $299, is being tested in another five stores.

"All four models sold equally well during Christmas," buyer John Zurlo reported, even though he couldn't get enough of the T.I. units.

Still, Zurlo was looking for new items for the New Jersey-based chain.

"We'll be getting into third-party software," the buyer said. "We can make a gross of 30%-35% on it."

Zurlo also anticipates the chain will eventually carry accessories: cassette recorders—which were part of the 10-store test—will have greater store level penetration, and printers, too, may be coming. "Right now we're not in the cable and wire business, but I think replacement parts will be a big business in the near future."

Murphy's Mart buyer Frank Remaley was also shopping for home computers.

"We carry the T.I. 99-4A, Atari 400 and the Timex Sinclair 1000," Remaley reported. "In 1983, we hope to carry three numbers in the A- and B-size Marts and two numbers in the C and D stores.

Further Attempts

"We are also looking for a rack jobber to put a video cartridge program together for us. That will probably include the 50 top Atari, Commodore and T.I. titles, and we'll build on that."

Of the new clock/radio and phone combos, the chain will stock two: a promo and one step-up unit.

The chain's phone assortment will take shape around a top branded model, with an off-brand, promo/import; a clock/radio phone combo, and a cordless model fleshing out the department.

One of the biggest problems will be "finding space in the electronics department for the new goods," according to Remaley.

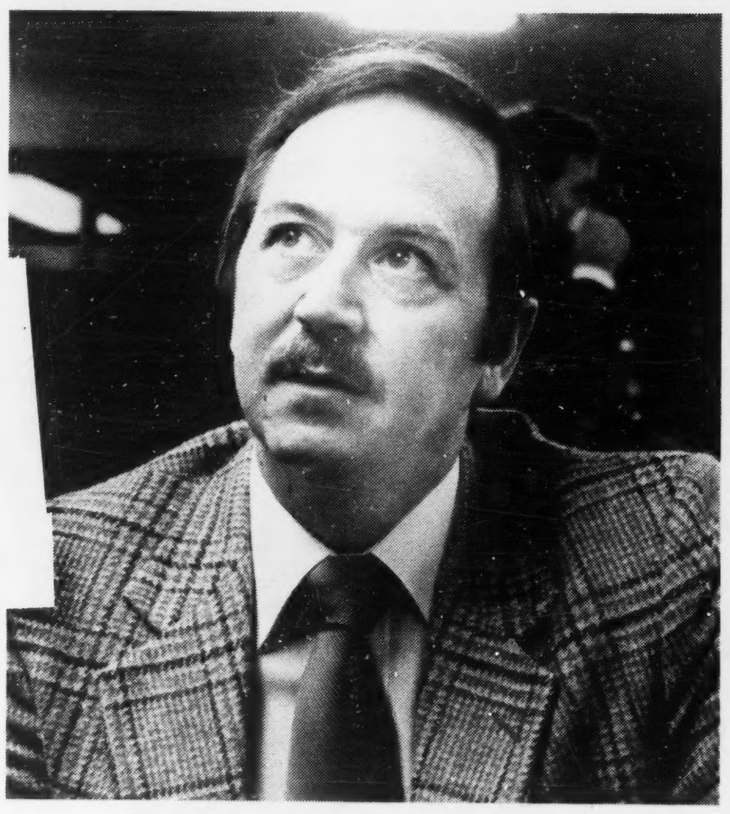
In some categories we may create separate open-to-buys, he added, but in other cases we'll cut sku's to make room for the new items.

James Moorehead, Murphy's Mart

Gordon Damron of Fred Meyer

Hal Pettitt, T.G. & Y.

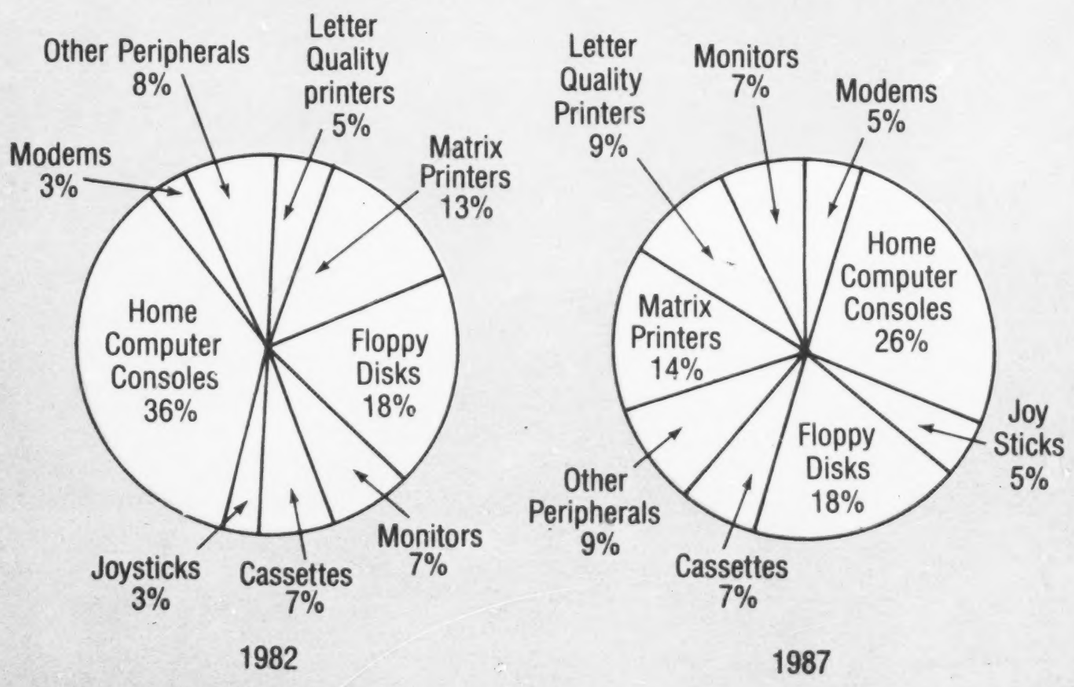
Tom Holbrook, Meijer's



Frank Remaley, Murphy's Mart

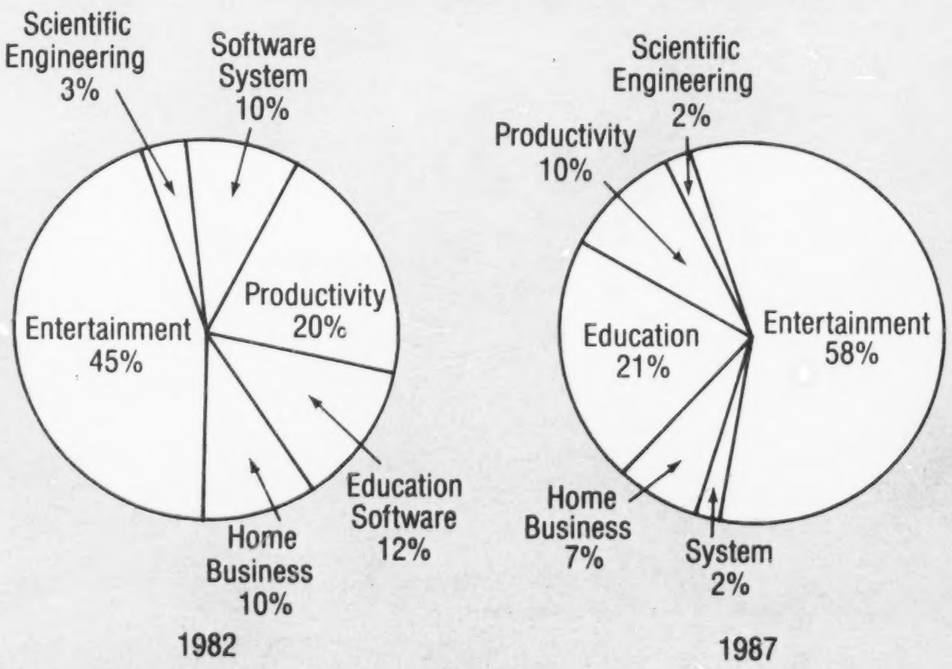
Home-Computer Hardware, Software Growth Projected

Home Computer Hardware Segments



Source: Future Computing, Richardson, Tex.

Home Computer Software Segments



Source: Future Computing, Richardson, Tex.

Anderson Leaves Woolworth; Succeeded as Prez by Sells

NEW YORK—F. W. Woolworth president Richard L. Anderson, who was passed over to head up the diversified retailer, has resigned.

Anderson, who was also a director and chief operating officer of Woolworth, has joined Melville Corp., where he will share the post of coo and be a member of the office of chairman.

At Woolworth, Harold E. Sells, senior vice president/international and property development, was named to succeed Anderson.

At Melville, Anderson will be responsible for the specialty apparel and toy divisions, composed of Chess King, Foxmoor, Wilson's House of Suede and Kay-Bee.

Anderson's joining Melville triggered an expansion of the company's top management responsibilities.

The coo post and office of chairman were expanded and now include Robert C. Kuhn, president of Meldisco, which runs the shoe sections

Harold E. Sells

in K mart. (The discounter also partly owns Meldisco.)

Francis C. Rooney Jr. continues as Melville chairman and ceo.

When Woolworth's chairman and ceo Edward F. Gibbons died in November, John W. Lynn, a vice chairman and long-time company executive was named to the top job.

Anderson came to Woolworth through its Kinney Shoe division.

New FTC Commissioner

(Continued from page 1)

short of full strength, and Carter Administration holdovers at the agency have been able to checkmate Miller's policies in a series of RPM rulings.

Douglas, a longtime associate of Miller, is believed to share many of the FTC Chairman's conservative economic views and has been widely touted as the extra commission vote needed to implement antidiscounter RPM policies.

But, after Douglas was confirmed by the Senate, signals began to surface indicating that the new FTC Commissioner may bolt camp and join Miller's RPM opponents at the agency.

Vigorous price competition at the retail level "since the repeal of the fair trade laws has generated substantial benefit for consumers," Douglas emphasized in a written response to a series of Congressional questions, released after he was sworn in at the commission.

More specifically, the new FTC member said he still isn't willing to support Miller's position that RPM should no longer be considered an automatic, per se antitrust violation.

"Although I am aware that there may be some instances in which resale price maintenance may be innocuous, or even procompetitive, I wouldn't favor changing its per-se treatment without additional evidence such a change would benefit consumers," he said.

Moreover, when he was asked whether "manufacturers should have the right to eliminate 'free-riders' by prohibiting transshipments by retailers to discount stores," Douglas responded with at least a qualified "no."

A Closer Look

"It would depend on the circumstances surrounding and the motivations of that prohibition," he told Congress. "If the purpose was to simply enforce retail price maintenance, as opposed to maintaining legitimate dealership standards, the prohibition [against transshipping would] be anticompetitive."

Industry reaction to Douglas's somewhat qualified endorsement of the existing RPM-prohibiting legislation was mixed.

Although they described his statements as "a little nebulous," lobbyists at the National Mass Retailing Institute said, "We are sufficiently satisfied that Mr. Douglas feels that RPM should be considered a per se violation of the law."

In contrast, officials at the Washington-based Association of General Merchandise Chains were anything but satisfied with Douglas's RPM answers.

"Commissioner Douglas's statements are too noncommittal to give price competitive retailers much comfort," AGMC president Edward Borda told *Discount Store News*.

"Because this issue is so vitally important, we have contacted the new Commissioner to seek a firmer commitment to the law against resale price fixing."

FTC Chairman Miller also raised questions concerning the depth of Douglas's support for current RPM enforcement rules.

"George made those statements because he was a little annoyed by newspaper reports calling him a 'clone' of Jim Miller," the FTC Chairman told *DSN*. "I'm confident that Douglas will conclude that resale price maintenance should no longer be treated as a per se violation."

Licensed Characters Stimulate Toy Business

(Continued from page 1)

ries," he said. Customers don't feel the higher price points are justified, added Millington, pointing to an $8-$10 higher price tag on licensed race sets, for instance, than on regular name brand goods.

"Licenses are becoming bigger and bigger every year," stated Stuart Katz, president of Play World's parent company, Greenman, Farmingdale, N.Y. However, despite the boost to sales, he believes "it isn't good for the industry to depend so heavily on licenses because of the risks involved."

He pointed to the success of Smurfs in 1982. But, he said, no one knows how strong the trend will continue on into 1983, making it very difficult to plan a buying strategy.

"When a license goes bad—like Dukes did last year—the product is worth less than the same item without the license," he said, noting considerable markdowns on the Dukes goods he has carried over into the new year.

Therefore, Play World is approaching the year's two new bear-type licenses "prudently,"

Sales for most Strawberry Shortcake products, now in their fourth year, at Play World and at discount chains throughout the country were down from 1981 when they peaked, noted Katz.

Many accessory items didn't sell well nor did the small Strawberry Shortcake dolls. For 1983, the nine-unit chain of freestanding toy stores "won't really go into the line with both feet," he said, adding that if he were a discounter he would significantly cut back sku's.

At Heck's, Charleston, W. Va., buyer Robert Kuhns also reported Stawberry Shortcake sales had "died down" from the previous year, and he plans to cut back in 1983. Additionally, Smurfs became sluggish by year's end, and he will reduce sku's there too.

Kuhns said the key to a licensed character's success is "making sure it stays in front of the children."

He pegged the strength of Smurfs, Pac-Man and Strawberry Shortcake to Saturday morning cartoon shows and to ongoing movie releases.

In contrast, many people never saw the Broadway show *Annie* and the movie wasn't the big hit everyone anticipated.

One of the biggest licensing disappointments of the year was E.T.

In Agreement

Kuhns agreed with buyer Mike Sadler at New Castle, Pa.-based Fishers Big Wheel who said, "E.T. was about the biggest stiff the department ever saw." Consumers simply felt price points were too high.

The 68-unit Fishers priced its few sku's of 2-4-in. plastic figures from $2 to $4. At presstime, Sadler was selling off the carryover stock.

"The majority of licenses sell very well," he said. "E.T. was just one of those that didn't."

The 1982 Strawberry Shortcake doll entry, in fact, really spurred sales in that category. Every mass merchant polled by *Discount Store News* named Kenner's Baby Strawberry Shortcake as the No. 1 doll seller. Barbie ran neck and neck.

Buyer Randy Loyd at the 74-unit Baton Rouge, La.-based cataloger H. J. Wilson reported that while nonlicensed baby doll sales were off, Baby Strawberry Shortcake was a very hot item. The price points ranged from $15 to $23 on the licensed doll compared to $15 and under on their nonlicensed counterparts.

Plush sales at H. J. Wilson also thrived in 1982 "thanks largely to licensed goods," said Loyd. In fact, except for a few closeout deals, almost the entire volume in the category was in licensed goods.

"Mattel's Monnchichi [a plush monkey that sucks its thumb] sold like hotcakes," he said, pointing to a $9 price tag on the 8-in. animal vs. only $5 for a similar nonlicensed item. "Consumers can see the quality difference, and they're willing to pay for it."

In 1982, Loyd only carried two plush licensees, Sesame Street Muppets and Monnchichi. For the new year, he is expanding into Smurfs, Care Bears and new Hello Kitty items from Child Guidance.

Some toy classifications, on the other hand, are too price-sensitive to warrant the extra cost of the licensed name.

At Smitty's, the 20-unit Phoenix-based discount operation, buyer Gary Garfield said that when it comes to ride-ons, "People aren't willing to pay that extra $5 premium on a licensed model over a comparable nonlicensed bike.

"Once the licensing brings the price over $20, people don't want to buy it." He added he would "carry very few licensed ride-ons in 1983."

Old-liners: Kids' Wear Markup Shrinks

(Continued from page 2)

markets, they were undoubtedly going to be arriving soon.

"Private label has got to be the way to go," she said, "but the days of 'keystone plus,' even in PL goods isn't the answer. Business is too competitive today; we have to be realistic."

Green also described a successful promotion, "one not based on price," as a way to bring in traffic. She cited a coupon promotion with Miller & Rhoads and Chuckie Cheese Pizza Time Theaters, held during the back-to-school season.

With every $15 purchase at the store, customers received a coupon for a free pizza and five tokens at Chuckie Cheese. Chuckie Cheese, in turn, gave these customers a coupon for 15% off their next children's wear purchase at Miller & Rhoads.

"We gave out thousands of coupons, and this promotion was a big boost to sales. Our only expenses were for an ad, coupon printing and the fashion show we put on at Chuckie Cheese. We didn't contribute anything for the pizzas or the tokens."

Byrnes said a successful promotion for Cornell's was a sidewalk, flea-market-type sale. "We have a lot of discounters and flea markets in our markets. The flea markets are manned by salesmen who are selling us regular priced goods all week. We put last year's goods and some promos on the sidewalk, and it was a great sale. We got a $50 ticket from the city, but it was worth it."

Places Bets

As for what's hot for spring, Green of Miller & Rhoads said: "Ocean Pacific in boys and girls. We started with this line a year and a half ago in the Virginia Beach area; then it moved inland. This is going to be our peak season with this resource; I've made a very big commitment."

Green said with Ocean Pacific goods, the stores sold more boys' merchandise than girls'; more girls' 4 to 14 bottoms than tops.

Goodman said Youthland expected a big spring in boys' wear with Polo and active sportswear looks like those from Nike and Adidas.

In girls' wear Youthland looked to growing business with Health-Tex, Lee and Oshkosh plus some Florida resources.

Green added, "I expect a big spring with two O.P.s—Ocean Pacific and off-price."

All three operators acknowledged children's wear business was hurt by the economy in 1982. Byrnes said: "We really felt the crunch during the back-to-school season but things opened up for Christmas. Even then, people bought basics, not gifty merchandise."

The pattern was similar for Youthland which experienced "flat store-for-store sales" and expected the same tough going in 1983.

More People

(Continued from page 2)

ers, even as more than 50% of those polled reported living within easy traveling distance of three shopping centers.

Alfred Eisenpreis and Leo Bogart of the NAB had this advice for retailers: "Remember that while the consumer market is very big, it's also a very 'thin market' because few people are actually in it for any particular item at any time."

For example, "last week, Americans bought over $365 million worth of shoes, but during any one week, only 6 out of 100 adults buy shoes for themselves or their children," they noted. And: "Out of 100 men, only three bought shirts."

Thus, they urged retailers to:

- Communicate with male shoppers directly; they account for more business than they did 10 years ago. Men's wear now accounts for 6% of store traffic. (Women's generates 14%.)
- Aim store advertising at full market potential—not just at selected customers for particular items. In a "churning market" you can't afford to miss a customer.
- Advertise many items, often, in order to reach consumers as they enter their planning-to-buy period: 84% of all newspaper readers will look at your ad.
- Orient yourself to those shoppers who come by car—95% of the national total.

Impulse Buying

Category	Unplanned Purchases*
Women's Wear	86%
Men's Wear	82
Major Appliances	88
Games, Toys	86
Hardware, Tools	89
Sporting Goods	85
Records, Tapes	88
Household Supplies	95
Automotive Supplies	83

*Purchases made in the second of two weeks under study that weren't reported as being planned in the first week.

Source: Newspaper Advertising Bureau.

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THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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"We have a tremendous opportunity in New Orleans because of our increased market penetration."—Jerome Barrer, president, Gaylords.

"One of our key goals is to do more regular business and less ad business."—Joseph Nusim, exec vice president, Gaylords.

'New' Gaylords Has A Southern Accent

SECAUCUS, N.J.—Gaylords is being recast into a Southern regional discounter.

The move reflects competitive changes in the company's markets, the acquisition of five-ex-Barkers in New Orleans, and Joseph Nusim joining Gaylords as executive vice president.

"With his background, Joe is bringing the company the best knowledge of leading regional chains," president Jerome Barrer said. Thus, the revamping now under way will combine the chain's current programs with methods used by a number of other regional discounters.

Nusim was executive vice president of Jamesway, a $346 million regional discounter with 68 stores in the mid-Atlantic States, before he joined Gaylords last month.

Gaylords is a $128 million company with 22 discount stores and six Towers catalog showrooms.

Among the changes under way are an evaluation of vendors and a move to emphasize departments that have been targeted as key growth areas: ladies' apparel, men's wear, housewares, health and beauty aids and sporting goods, Nusim said.

The vendor review will identify key suppliers that have helped generate the most sales and who have the merchandise mix and distribution setup, including warehousing, that fits in with the chain's regional focus.

The evaluation, which covers distributors, jobbers and apparel resources, should enable us to do more business with our best producers, Barrer added.

(Continued on page 44)

Wal-Mart, K mart, Target Gobble Up Woolco Sites

Nationwide DSN Report

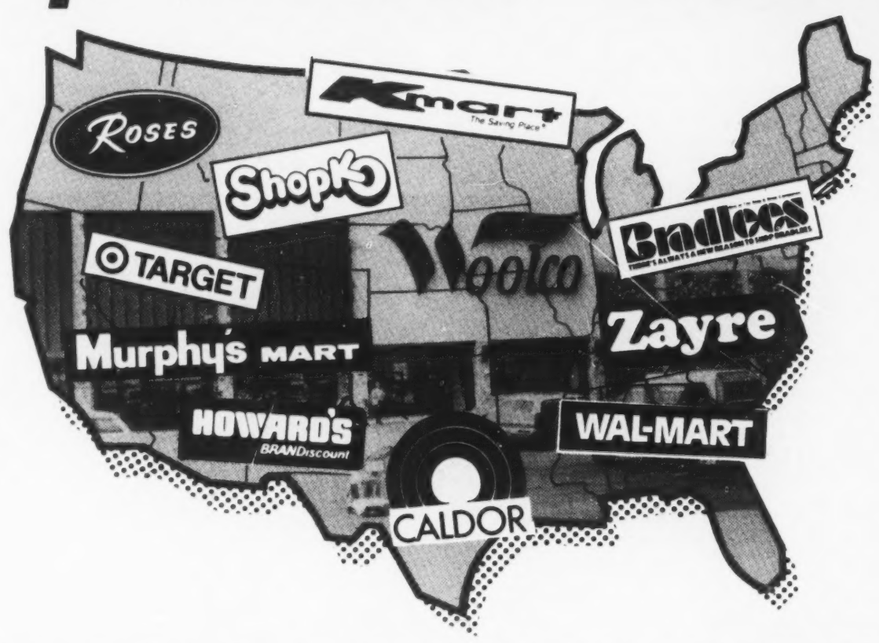
Barely giving the lights time to cool, Wal-Mart, K mart and Target have aggressively made deals to take over dozens of the more than 330 closed Woolco stores.

Sources both inside and outside the discount industry repeatedly identified those three chains as the most eager to obtain Woolco sites. However, numerous other chains have completed deals or are currently negotiating for many other Woolcos.

Caldor will take over four stores on Long Island. Rose's has signed for eight locations and may take as many as four more. Howard Bros. is negotiating for up to 15 sites. G. C. Murphy has signed one lease and is considering several more. ShopKo, Bradlees and Zayre are said to have selected several Woolcos.

According to one source with intimate knowledge of the negotiations, Wal-Mart has taken more than two dozen Woolcos, concentrating on rural and small-town markets in Louisiana. He and a Woolworth spokesman added that K mart has grabbed several other Louisiana stores. Both chains are said to have avoided New Orleans, where the stores reportedly are being split up by the landlords for lease to other, nondiscount retailers.

While neither Wal-Mart nor Woolworth officials would comment, sources with direct knowledge of the situation said the Arkansas-based discounter has acquired at least 25 Woolcos, thought to be the largest bloc likely to go to a single chain. In addition to Louisiana,



Discount chains across the country have begun carving up the defunct Woolco empire. Wal-Mart, K mart and Target are reported to be among the most aggressive chains in acquiring some of the more than 330 Woolco sites available.

sites in Georgia, Alabama, Florida, Texas, Kansas, Missouri and Arkansas will go to Wal-Mart.

According to Joseph Carroll, Woolworth's vice president for public affairs, none of the deals completed thus far have been made directly with the retailer. "We haven't made any deals to date," he said. "We'll begin to

(Continued on page 46)

Catalog Execs Will Lobby Vs. Rebirth of Fair Trade

CHICAGO—Catalogers plan to invade Washington sometime this spring in the battle against the Reagan Administration's attempt to resurrect fair trade.

They plan to lobby Congress, with showroom executives meeting representatives and senators.

The National Association of Catalog/Showroom Merchandisers is attempting to coordinate the planned lobbying with the National Mass Retailing Institute and the Association of General Merchandise Chains, both of which have indicated strong interest in a combined effort.

The NACSM's annual meeting here heard association general counsel Richard B. Kelly declare that until the current Administration took office, "most people thought fair trade was dead."

The NMRI has joined an ad hoc committee to convince Congress that resale price maintenance is unwise. See p. 6.

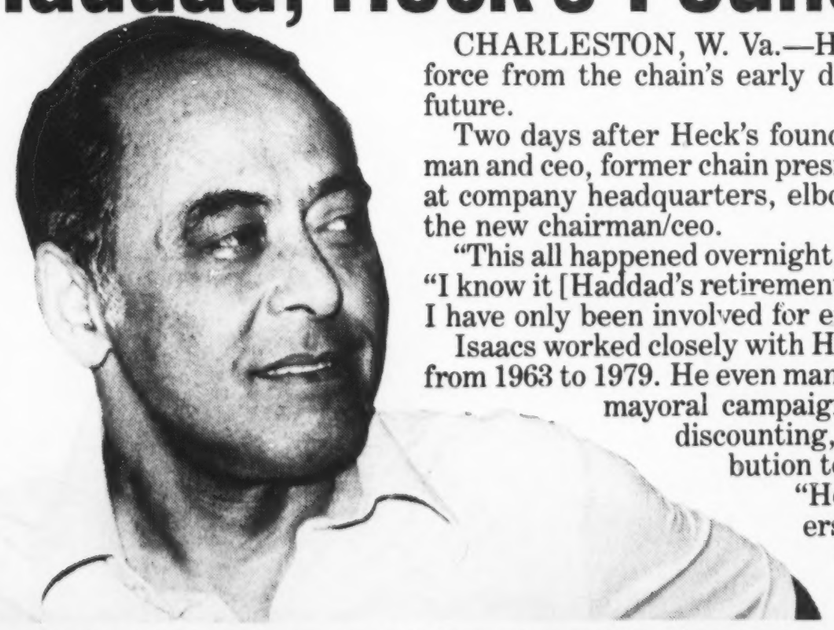
The Administration has started to resurrect fair trade through rulings and decisions by the Federal Trade Commission and the Justice Department. Their actions back manufacturers' attempts to restrict distribution of their merchandise and support retail price maintenance (RPM) schemes.

While lax enforcement of antitrust laws is a prime concern, Kelly noted that Administration practices, decisions and proposals "could prevent discounters and catalogers from obtaining merchandise." The issue comes down to the ques-

(Continued on page 47)

Isaacs Returns to Take Helm

Haddad, Heck's Founder, Retires



Fred Haddad (above) retires as chairman/ceo of the Heck's chain he founded 24 years ago. Heck's ex-president Russell Isaacs has been called back to take over in Haddad's place.

CHARLESTON, W. Va.—Heck's board of directors called on a force from the chain's early days to lead the company into the future.

Two days after Heck's founder Fred Haddad retired as chairman and ceo, former chain president Russell Isaacs could be found at company headquarters, elbow deep in the work he took on as the new chairman/ceo.

"This all happened overnight," explained a high-spirited Isaacs. "I know it [Haddad's retirement] had been cooking for a while, but I have only been involved for eight days."

Isaacs worked closely with Haddad at Heck's for a 17-year stint, from 1963 to 1979. He even managed Haddad's "highly successful" mayoral campaign in Charleston back in 1967. In discounting, Isaacs describes Haddad's contribution to the industry as "immeasurable."

"He was one of the original discounters. I remember back when we first started expanding—faster than we had the resources to. He thought of buying antifreeze, getting dating and selling all of it to pay our other bills. We did

(Continued on page 48)

Digest

Feb. 21, 1983

AUTOMOTIVE

- **Discounters' automotive** business should continue at a good clip according to DSN's special Spring Car Care Buy-In section. (pp. 19-37)

SPECIALTY DISCOUNTERS

- **U.S. Shoe plans to open 22** freestanding home textile stores this year. (p. 39)

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Hardware 11-17
Housewares 9

SPRING CAR CARE BUY-IN

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTO			
1	One-piece auto ramp, pair	2,640	21.99	58,053.60
2	2-ton Hydraulic floor jack	785	69.99	54,942.15
3	RR 16 Roberk wiper blade refill	18,443	2.19	40,390.17
4	6014 Sealed beam, large round	11,194	3.29	36,828.26
5	AF562 Prime antifreeze	6,378	4.79	30,550.62
6	1015-24 STP oil treatment 15 oz	13,159	2.29	30,134.11
7	6052 Sealed beam, large square	3,545	7.99	28,324.55
8	7450 Gumout jet spray 13 oz	11,519	2.39	27,530.41
9	RR18 Roberk wiper blade refill	12,416	2.19	27,191.04
10	FL1A Motorcraft oil filter	6,563	3.99	26,186.37
11	179 (169) 165 PSI air comp. with gauge	789	29.99	23,662.11
12	10080 8 oz Armor All protector	7,710	2.99	23,052.90
13	3060 Scraper/squeege/snowbrush	11,437	1.99	22,759.63
14	16 oz Armor All Protector twin pk	2,608	8.49	22,141.92
15	4652 Sealed beam, low square	4,227	4.99	21,092.73
16	RWB1 16" Roberk wiper blades	9,019	2.19	19,751.61
17	TWO51A Quartz fog lite kit	618	29.99	18,533.82
18	100QR Rislone oil alloy 32 oz	6,329	2.79	17,657.91
19	7518 Gumout Carbo cleaner 12 oz	9,285	1.89	17,548.65
20	1157 Auto bulbs, 2 on a card	16,673	0.99	16,506.27
21	LF-1 Lee oil filter	4,858	3.39	16,468.62
22	DR1976 GM 8 cylinder dist cap	2,987	5.49	16,398.63
23	10160 16 oz Armor All protector	2,603	6.29	16,372.87
24	C-16 Bars leak 12 oz (80)	8,115	1.99	16,148.85
25	PF-25 AC oil filters	4,043	3.99	16,131.57
26	Warco Dot brake fluid qt	3,923	3.89	15,260.47
27	AS243 Prestone spray deicer	7,487	1.99	14,889.13
28	AS400 Prestone brake fluid 12 oz	7,481	1.99	14,887.19
29	10320 32 oz Armor All protector	1,634	8.99	14,689.66
30	2024 STP gas treatment 12 oz	7,237	1.99	14,401.63
31	R560 Ariwosol spray de-icer	11,856	1.19	14,108.64
32	PSF Yale power strg fluid 14 oz	7,812	1.79	13,983.48
33	29438 BR BL 15Y4 CH spk plug	1,101	12.59	13,861.59
34	13040 4 oz Armor All protector	8,140	1.69	13,756.60
35	TK237 GM combo tune-up kit	2,273	5.99	13,615.27

(Continued on page 30)

Fashion items in auto, such as these wheel covers in a Green Bay, Wis., Prange Way, is where high margins are riding. Wide, shallow assortment is in gold and silver for several wheel sizes. *(DSN photo)*

Stox Lean, Chains Eye Promo Year

While closing weeks' volume in 1982 was strong—leaving retailers' inventories in a lean and healthy position—1983 promises to be another promotional year, at all levels.

PMA PRODUCT MOVEMENT AUDIT

Manufacturers, for one, will be more promotional this year.

In spark plugs, for example: "As the number of four-cylinder cars has increased, and as cars have become more electronic, spark plug sales have been dropping," commented Herb Rechter of wholesaler Allied Auto Parts, Michigan Heights, Mich. "Thus, we'll be seeing the spark plug manufacturers become more aggressive in 1983."

(Allied supplied the Product Movement Audit for December.)

There will also be a good deal of activity in waxes and polishes.

"We will be cutting down on the number of polys we carry," Rechter continued. Last year the wholesaler stocked six sku's; this year it will offer its customers a choice of three. At the same time, Allied has added an assortment of the new liquid spray waxes to its inventory.

"We'll carry five of the new liquids," Rechter said, referring to the new spray-on waxes that will retail in the neighborhood of $3.99.

"The new 'minute' waxes won't take business away from the premium polishes like DuPont's Rain Dance. They're really looking to create a new market—the car owners who

(Continued on page 30)

Parts-Buy Plan By APAA Hits UAW Proposal

LANHAM, Md.—The Automotive Parts and Accessories Association (APAA) is presenting Congress with a "parts-purchase incentive plan" that is a counteroffer to a controversial proposal by the United Auto Workers (UAW).

The APAA plan would allow a dollar off a foreign car maker's United States import duty for every dollar of purchases made of United States-produced auto parts.

The plan's incentives will increase foreign demand for United States goods, "opening jobs for tens of thousands of Americans," according to Linda Hoffman, director of public affairs and international trade for the APAA.

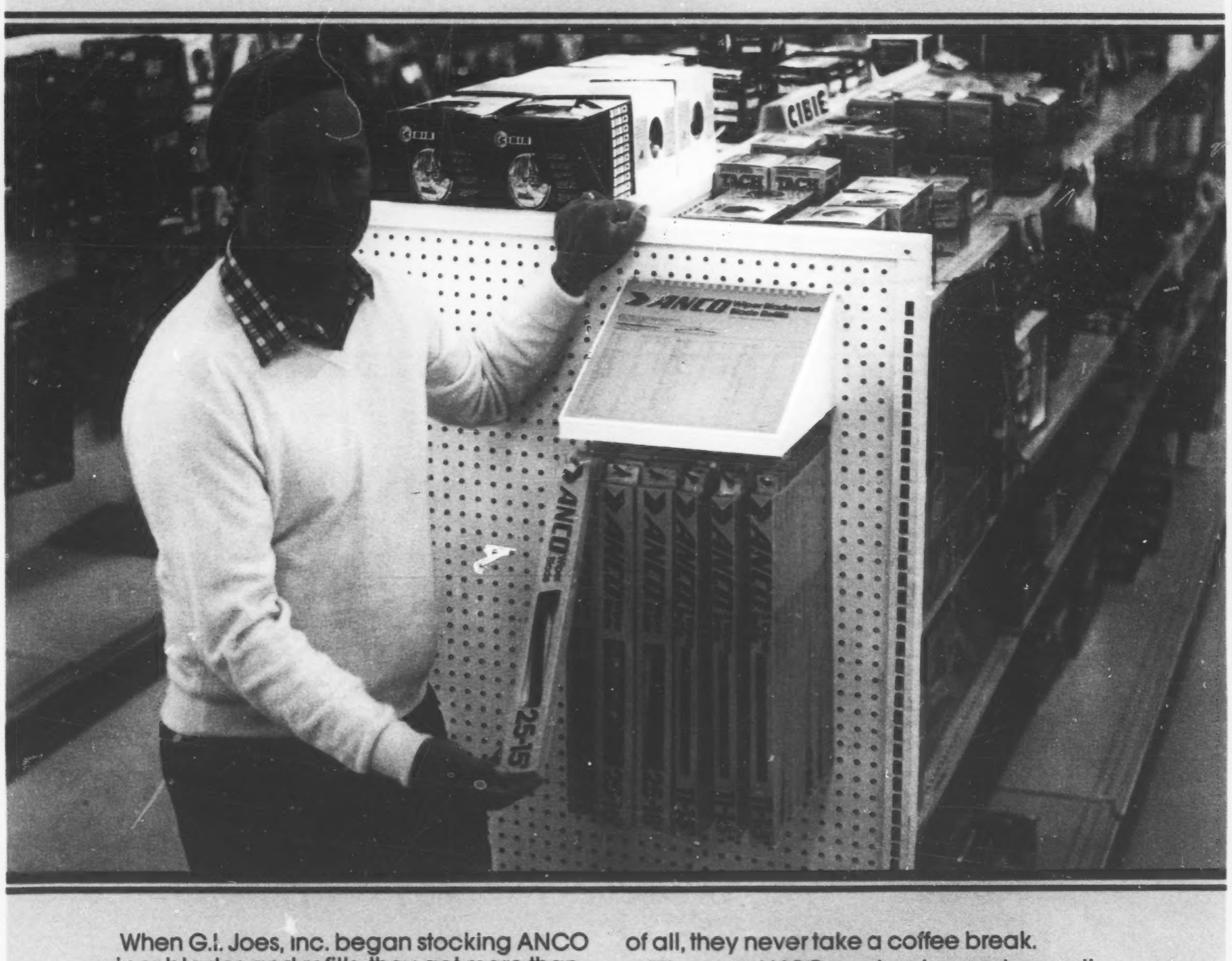
The APAA estimates its proposal would create some 28,000 new jobs as this credit system improves recognition of United States parts and accessories manufacturers as original equipment suppliers.

The UAW proposal to Congress would require some American-made parts to be included in all cars sold in the United States.

While the UAW claims its proposal, called "local content legislation," would create some

(Continued on page 30)

GUESS WHO'S SALESMAN-OF-THE-MONTH. AGAIN.



When G.I. Joes, Inc. began stocking ANCO wiper blades and refills, they got more than just a pretty package. The mass merchandising chain, based in Portland, Oregon, got an experienced salesman.

"We displayed the ANCO wiper blades and refills next to a less expensive wiper line," said Dirk Uilenberg, a G.I. Joes buyer. "To our amazement, the ANCO line is currently outselling the less expensive line by a ratio of at least 4 to 1."

ANCO packages and displays make excellent salesmen. Not only do they move merchandise, but they produce higher turnover rates. They increase your return on investment. And, best of all, they never take a coffee break.

"The new ANCO packaging and consolidation of numbers makes the stocking and selling of the product easy. The yellow and blue has an eye-catching effect," according to Uilenberg. "The see-through package enables customers to see ANCO's premium quality."

When you stock ANCO, you get more than a quality line. You get an experienced salesman. Why not contact your ANCO representative today?

Want more information about ANCO? Call toll-free: 1-800-835-2246. (In Kansas: 1-800-362-2421.) Ask for Ext. 54.

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SPRING CAR CARE BUY-IN

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 28)			
	AUTO			
36	TK175 GM 8 cylinder tune-up kit	3,009	4.49	13,510.41
37	WK-40 Aerosol 9 oz	5,181	2.59	13,418.79
38	Plas bottle gas-line antifreeze	22,464	0.59	13,253.76
39	LF-25 Lee oil filter	3,588	3.69	13,239.72
40	Quaker State deluxe 10W40	8,256	1.59	13,127.04
41	R-6 Bars leak 5½ oz	8,803	1.49	13,116.47
42	AS107 Prestone super flush pack	3,907	3.29	12,854.03
43	5488 8mm custom wire set	790	15.99	12,632.10
44	RWB18 18" Roberk wiper blades	5,734	2.19	12,557.46
45	RR15 Roberk wiper blade refill	5,719	2.19	12,524.61
46	R45TS AC spark plug	7,352	1.69	12,424.88
47	S257 Fix-a-Flat tire inflator	8,707	1.39	12,102.73
48	Warco Dot brake fluid 12 oz	7,752	1.49	11,550.48
49	BC812 12'8 Cable slvd	1,578	7.29	11,503.62
50	GM8 Cap & rotor ele ign	863	12.99	11,210.37
51	Black lo 15 oz	4,594	2.39	10,979.66
52	PC-1 Pocket air comprsr 130 PSI	568	18.99	10,786.32
53	WU2 Easy fit car cover	143	75.19	10,752.17
54	4000 Sealed beam, low round	3,768	2.79	10,512.72
55	GE Silicone seal, clear	3,158	3.29	10,389.82
56	8/RBL15Y CH spark plug	823	12.59	10,361.57
57	BD-1 Blower defroster	572	17.99	10,290.28
58	WU4 Easy fit car cover	119	85.19	10,137.61
59	EB-1 Gunk aerosol	5,030	1.99	10,009.70
60	7200 Chilton rep manual 76-83	667	14.99	9,998.33
61	2050 STP Gas treatment	7,699	1.29	9,931.71
62	GEC-17 160PST Air compressor	313	29.99	9,386.87
63	1016 Pylon 16" wiper refills	4,270	2.19	9,351.30
64	PH8A Fram oil filter	2,018	4.49	9,060.82
65	8/N12Y Champion spark plug	818	10.99	8,989.82

Source: Allied Accessories and Auto Parts Co., Madison Heights, Mich., for Dec. 1-31, 1982. Allied services over 2,500 retail outlets throughout the United States, 98% of which are discount stores' auto departments.

Air and oil filters are both merchandised over faster-turning oil category in this Harrison, Ohio, Rink's, with oil in cut-case stacks. *(DSN photo)*

Promo Year

(Continued from page 28)

wouldn't normally wax their cars."

However, Rechter pointed out: "Whichever manufacturers do the best job of advertising are the ones we'll no doubt end up carrying."

Other areas that will continue to do well in 1983: replacement parts and accessories, and gasoline additives.

"We persuaded one of our customers—an Ohio-based discounter—to add a line of mufflers for the first time this year," Rechter said.

"They'll carry two muffler lines, a Thrush and standard, with eight numbers of each." Retails will run around $17.99, the wholesaler said.

"We have seen other discounters do a good cash-and-carry business in this item," as auto do-it-yourselfers become more sophisticated, "so we urged them to test it."

While oil continues to be the No. 1 promotional item, gas additives are continuing to have a good season, despite the current gasoline glut.

"The STP's and Gumouts continue to move very well," ranking sixth and eighth, respectively, in the December PMA with a combined unit movement of 25,575.

"It was the gimmicky additives—those that promised to improve gas mileage by 25%—that are dropping from sight."

Parts-Buy Plan

(Continued from page 28)

800,000 jobs, the APAA fears the bill "could play into the hands of the Japanese and harm several major industries."

At a January meeting, the legislation was termed a "per se or automatic violation" under the General Agreement on Tariff and Trade (GATT).

Critics of the bill, which was passed by the House but not the Senate, believe it could have far-reaching ill effects on United States trade relations with Japan.

"The Japanese would be on extremely solid ground in bringing a case of injury before the GATT council," said Hoffman.

If the bill should pass, it could mean the "United States would have to negotiate a whopping settlement by compensating the Japanese for lost trade," contended Hoffman.

In contrast to the UAW's estimated 800,000 new jobs, Hoffman's group projected the bill's passage would lead to a loss of some 70,000 United States jobs.

New Auto-Supplier Directory Published

NEW YORK—A new *1983/84 Directory of Auto Aftermarket Suppliers* has been published by Chain Store Guide, the nation's leading publisher of retail business information and directories.

The directory provides listings of 522 warehouse distributors and 1,606 jobber/retailers operating 19,320 stores.

The directory also covers a broad range of over 20 product categories, fully indexed by company.

For information regarding the directory, contact Chain Store Guide, 425 Park Ave., New York, N.Y. 10022 212-371-9400.

START THE NEW YEAR WITH $1.50 SAVINGS ON HAVOLINE SUPREME 10W-30 AND HAVOLINE SINGLE GRADES...

and nearly triple your advertising allowance.

Begin 1983 by saving $1.50 on every 24/1-quart case of Havoline Supreme 10W-30 motor oil and Havoline single grades. Then take advantage of another bonus...$1.00 retail ad allowance on each case. For every Easy Dozen™ 12/1-quart case, we'll take off 75¢ and provide 50¢ per case retail ad allowance.

These specials apply only to orders shipped between January 1 and February 28, 1983. Bonus advertising allowances must be used by May 31, 1983.

Yes, we're starting 1983 with promotions and support designed to help you get Havoline motor oil sales off to a fast start. And we're backing up Havoline Retailers with a multi-million dollar advertising campaign to help build store traffic. Your customers will know that Havoline Supreme 10W-30 gives proven engine protection, improved mileage benefits and exceeds the tough SF motor oil performance standard. What's more, Havoline Supreme 10W-30 and Havoline single grades have API CC and the SF/CC rating required for most diesel cars.

But that's not all! Our 1983 Retail Advertising Allowance Program reimburses retailers up to 125% of net cost for Havoline print, radio, and TV advertising. Plus Havoline Store Display allowances of $50 per store. New store Grand Openings featuring Havoline get retailers a cash bonus up to $800 *in addition to earned ad allowances.*

For further details, contact your Havoline representative, wholesaler, or John P. Wies, Manager, Lubricants and Services, Texaco U.S.A., 1111 Rusk Avenue, Houston, Texas 77002. Or telephone: (713) 650-5218.

TEXACO

Goal of Gaylords' New Programs Is More Basics Sales

SECAUCUS, N.J.—Gaylords is instituting a series of merchandising and operational programs as part of its effort to become a more productive regional discounter.

The bottom line of the new programs is to boost Gaylords' profits by increasing sales of staple, basic merchandise, rather than generating increased volume of promotional goods.

"One of our key goals is to do more regular business and less ad business; we are going to change the ratio of our sales mix to become more profitable," executive vice president Joseph Nusim said.

The new programs are designed to accomplish this by making sure stores are in-stock on basics, that these products receive more intensified merchandising and that store managers and buyer efforts to achieve these goals are recognized.

The innovations under way at Gaylords include:

- An open buyers' day in which vendors will be able to see merchandisers without an appointment. Soft lines buyers will be available Mondays, from 9 a.m. to noon, while hard goods buyers will be available Tuesdays during the same hours.
- An item intensification program, particularly in the five departments identified as key growth areas: ladies' apparel, men's wear, housewares, health and beauty aids and sporting goods.

Buyers will target specific items to get an intensified merchandising push through feature rack presentation for soft lines and main-aisle and endcap displays for hard goods.

- Store manager participation in developing promotional programs for items displayed on promo tables and in the back-of-store promo aisle.

The discounter is taking a new approach in which store managers and associates will propose items and programs for promotions. Previously, headquarters buyers developed promotional programs, with limited input from the stores.

- A strengthened competitive shopping program. Gaylords is identifying key price-sensitive name-brand items on which stores will be competitive through regular comparison shopping.

Gaylords will be competitive on name brands because this highly identified merchandise helps to establish a chain's market image.

- Three new quarterly award programs for store managers and headquarters buyers that recognize contributions that increase the company's productivity and bottom line.

While all of the above programs have already been instituted, two other ideas are pending.

This spring Gaylords will review each store to gear its merchandising to the specific makeup of the market in which it operates. Stores will be classified according to the type of market they serve; merchandise that is important to that market will be strengthened.

Second Thoughts

The company is considering revising its current store and field bonus program to more carefully delineate the areas that are under the direct control of managers and supervisors. The goal is to have managers and supervisors receive a bonus based on performance and factors over which they have control.

The new programs mark a major change in Gaylords' operations, Nusim said. "We are going to operate on a grassroots basis, with input and ideas flowing from the bottom upwards. We want to use the thoughts and knowledge of store managers and associates in our planning and programs so we can better respond to our markets and competition."

The three quarterly award programs will specifically recognize such contributions, he added.

One quarterly award goes to store managers, with stores being grouped into six districts. Gaylords allows managers to select items for feature display, and the award is tied into this program.

The awards will go to one manager in each district who has selected the greatest gross profit-producing item in dollars. There will be one grand prize winner and five runners-up.

One quarterly award to buyers is tied into Gaylords' item intensification effort. Each quarter each buyer selects an item for intensified merchandising (which he announces 30 days prior to the quarter).

There are no restrictions on the item except that it can't be on Gaylords' competitive list and that it meets a fixed minimum gross profit requirement that varies by classification and is based on the traditional markup for each category.

The buyer who has selected the item that generates the greatest increase in sales—thereby rolling off additional gross profit dollars for the company—receives a color TV or equivalent value.

In this program, the buyer is responsible for overseeing signing, ordering enough goods to maintain the projected sales, and selecting the price that will boost volume while meeting the markup requirement.

The other award is based on quarterly reviews of buyers' profit performances. The merchandiser who has contributed the greatest gross profit dollar percentage increase on a store-for-store basis for that period as compared to the same quarter last year will receive a $1,000 check.

Nusim emphasized that this award recognizes the increases in total gross profit dollars, not sales increases, so that every buyer has the same opportunity to contribute to the company's bottom line.

In two personnel changes, Gaylords has named William Rokoff as merchandise manager for infants' and children's wear. He headed up Jamesway's merchandising in these areas.

Bob Gunn was promoted to mm for housewares/appliances and consumer electronics, sharing responsibilities for those categories with Leo Miller. Two mms are needed because they are targeted as growth categories.

Mfrs.' Home-Video Unit Sales to Retailers

Product	1982	1981	% Change
Color TV	11,366,334	11,157,334	+ 1.9
Monochrome TV	5,765,234	5,540,949	+ 4.0
Total TV*	17,131,568	16,698,283	+ 2.6
Projection TV	117,253	121,650	− 3.6
Home VCR	2,034,797	1,360,988	+49.5
Color video camera	295,947	189,770	+56.0

*Excludes projection television
Source: Electronic Industries Association

Makers' Sales of Home Video Rose in '82; VCRs Were Hot

WASHINGTON—Manufacturers' sales of home video products were undaunted by the 1982 recession, according to the Electronic Industries Association.

The big winner in video was the video cassette recorder category where sales to retailers increased by 49.5%, reaching a record of 2,034,797 units.

Related to their growth was the gain by color video cameras, whose sales went ahead 56% to 295,947 units.

Sales of color television receivers showed some improvement over the category's 1981 performance, rising 1.9% to 11,366,334 units.

Monochrome television set sales, which declined 11.8% in 1981, rose 4% last year to 5,765,234 units.

Total television sales amounted to 17,131,568 units in 1982, a 2.6% increase over 1981.

Just one video area slipped last year: projection television. Sales declined 3.6%.

2 New Gemcos Due For Calif.

DUBLIN, Calif.—Lucky Stores will open two Gemco units this year in California.

A Cathedral City store is slated to open during the first quarter at Canyon Plaza.

The second new store will be unveiled during the third quarter on Admiral Callaghan and Turner Parkway in Vallejo.

Southern-Area Chain Is Gaylords' Role

(Continued from page 1)

Other changes under way include: an item intensification effort, reworking each store to better serve individual markets such as those in a resort area or near military bases, and creating three award programs to recognize contributions by store managers and headquarters buyers that boost the chain's bottom line.

Gaylords' acquisition of five former Barkers in the Greater New Orleans market signals the company's new regional chain orientation: multistore coverage concentrated in an area with similar merchandising patterns. Gaylords now has 11 stores in the market.

With the demise of Barkers and Woolco, New Orleans has gone from a four-discounter battlefield to a two-chain market, with K mart the other mass retailer.

Gaylords expects to about double its volume in New Orleans through the five acquisitions and the refurbishing of its six current stores. Trade sources project a full year of operation of the 11 stores would result in about $55 million in sales.

Barrer noted: "We have a tremendous opportunity in New Orleans because of our increased market penetration which means greater recognition and a larger number of stores that fall under our advertising and sales promotion programs."

The discounter's future growth will be geared to areas where it already has a number of units or where it can economically develop store clusters. The company has four units in the Greater Wilmington, Del., market and two or three store groupings in a few other areas.

Gaylords borrowed $4 million to fund the New Orleans acquisitions as well as for general corporate purposes. This borrowing is in addition to its regular short-term seasonal line of credit.

The five ex-Barkers include two in New Orleans and three in the suburbs of Harvey, River Ridge and Kenner, which is in a shopping center that also has a K mart.

Kenner is a fast-growing suburb near the New Orleans airport. "Barkers did quite well there despite the K mart and we can do even better," Barrer said.

The five new Gaylords will be opened in early spring, by which time the current stores will have been refurbished. The aim is to present the same general look to shoppers.

The acquired stores will get a new decor that features earth-tone colors, a raceway layout and, where needed, new store facades. The layout calls for hard lines along the perimeter walls, soft goods in the raceway infield and convenience sections such as H&BA at the front of the store.

Barrer summed up the bottom line on the acquisitions and Gaylords' new growth direction by noting: "We have gone through a long phase of contracting and getting rid of losing stores. Now we are taking a leap forward with new merchandising and operating programs and a regional chain focus."

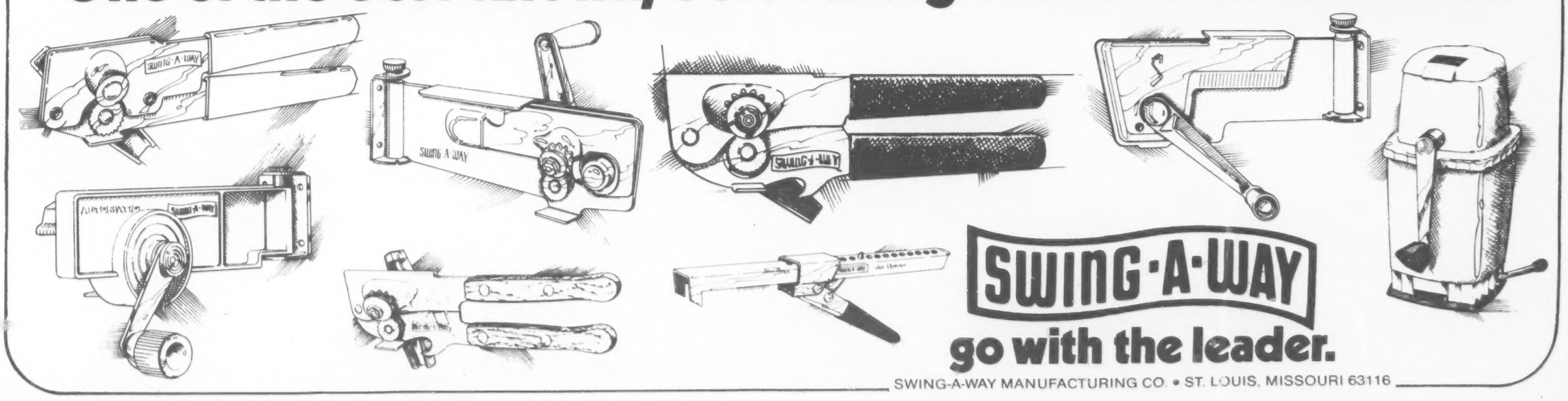
Towers Operation Is Under Scrutiny

SECAUCUS, N.J.—Gaylords is evaluating the operation of its six Towers catalog showrooms as part of the overall review of the company.

Company president Jerome Barrer said that the catalog business was "cyclical. We are waiting to see if there is an upturn in the economy that would give us the opportunity to possibly expand this business."

The six Towers are in Pennsylvania, Maryland and Delaware. The chain has its own buying and operations staff.

One of the best-known, best-selling brands in housewares.



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See Special Section—Pp. 23-45

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Most of Top Chains Had Better '82 Biz Than Was Expected

Nationwide DSN Report

Preliminary financial reports from major discount chains are cause for optimism that 1982 was a better year than the industry expected a year ago.

While profit figures won't be available until later this month, leading chains such as Wal-Mart, Bradlees, Zayre, Gold Circle, Richway and Target all reported substantial sales increases.

K mart reported a minimal sales increase as it began a retrenchment aimed at improving profitability. For two consecutive years, the giant chain has posted large sales gains—partly through promotions which eroded gross margin—but declining profits.

Wal-Mart, the second-largest discount chain, again was one of the most successful in 1982, performing up to the ambitious expectations of its chairman, Sam M. Walton.

A year ago, Walton projected a 40% sales increase and the chain actually attained a 38% increase.

At the end of its fiscal year, Wal-Mart's sales totaled almost $3.38 billion compared with just under $2.46 billion for fiscal 1981. The chain, which had a net gain of 60 stores to 551 at the end of the fiscal year, posted a store-for-store sales increase of 11%.

A year ago, Wal-Mart closed its fiscal year with a total sales gain of 48.8% and a comparable-store increase of 15%. Profits rose 48.7% in fiscal 1981 to $82.8 million.

Federated Department Stores also reported substantial sales gains for its Richway and Gold Circle discount subsidiaries. For the year, the combined sales for the two discount chains stood at $822.9 million, a jump of 28.5% above 1981's $640.3 million

The discount stores greatly exceeded the performance of Federated's other retailing interests. Total sales for the corporation rose 10% from $7 billion to just under $7.7 billion. Its department and specialty

(Continued on page 4)

Service Mdse. Income Soared 36.8% in '82

NASHVILLE—Service Merchandise, one of the first major retailers to report fiscal year earnings as well as sales, had a whopping 36.8% jump in net income on a 16.4% volume increase in 1982.

The bottom line in the fiscal year ended Jan. 1 hit $31,569,000, up $8.5 million from $23,069,000. Sales of $1,195,283,000 were up $168.2 million from $1,027,093,000.

The torrid results were paced by a strong fourth-quarter performance in which the cataloger's net income jumped 36.5% from $18,842,000 to $25,716,000 while sales went up 15.2% from $476,549,000 to $549,145,000.

The three-month holiday period generated 81.5% of the cataloger's profits, on only 46% of its sales.

(Continued on page 64)

Off-price Apparel Units Get K mart Green Light

TROY, Mich.—K mart's "experiments" in off-price name brand apparel have been given the green light with major expansion planned on two fronts.

By the end of 1983 the multibillion-dollar discounter expects to have its "brands for less" sections in 500 K mart stores and have 30 Designer Depot specialty stores in operation.

The recent appointment of a staff, to be based in Troy headquarters, to run the Designer Depot chain is another indication of K mart's commitment to growth in off-price apparel retailing.

Those tapped for Designer Depot, all pulled from K mart ranks, were: Glen Shanks, director of the chain; Donald B. Rogers, director of sales and store operations; Daniel H. McKinnon, director of administration; Lawrence V. Wade, field merchandise manager, and G. Royce Bullock, assistant director of store operations.

A spokesman for K mart said the "brand for less" merchandise would represent anywhere from 10% to 40% of the apparel mix within each K mart unit in the program, depending on the location of the store and the demographic mix of its trading area.

K mart has also finally begun to acknowledge its intimate relationship with Fashion House, a part of the J. S. Levi jobbing organization.

A spokesman for the discounter said: "Fashion House is an important source of merchandise for our brand name apparel. We expect that relationship to continue and intensify as we expand. The company is acting as our buying agent for off-price merchandise."

While K mart is officially talking in terms of 30 Designer Depot units and 500 K mart

(Continued on page 64)

Nationwide Publicity Barrage Due

Coalition Plans Anti-RPM Drive

WASHINGTON—The discount store industry's new Congressional resale price maintenance (RPM) coalition is on the verge of launching a nationwide publicity barrage to rally widespread public opposition to the Administration's pro-RPM policies.

The opening shot in that counter-RPM offensive—a Capitol Hill news conference alerting the nation to the campaign by Federal antitrusters to resurrect Fair Trade-style restrictions on price-cutting retailers—is expected to be fired early this month.

The coalition, which was assembled by the Association of General Merchandise Chains (AGMC) earlier this year, already includes at least four members of Congress. Additional Senators and Representatives are being actively recruited by the group.

Although the kickoff date for the coalition's anti-RPM publicity drive was still undecided late last month, officials at the Senate Judiciary Committee told *Discount Store News* that the broad-based coalition was planning to make its initial move "within the next couple of weeks."

"So far the general public has been largely unaware of the efforts by Justice Department and Federal Trade Commission antitrusters to undercut the law against resale price maintenance by manufacturers," one Senate committee aide told *DSN*. "We intend to blow the whistle on them."

Significantly, the RPM whistle-blowers aren't limited to Congressional critics of the Administration and discount industry groups concerned over shifting Federal antitrust en-

(Continued on page 64)

Love Finds the Way in H&BA

NEW YORK—There are 10,000 potential H&BA store locations in the Naked City.

Al Kenig has 15 of them.

According to the health and beauty aids entrepreneur, he's going to keep on expanding his Love H&BA chain until there's "one on every block from Wall Street, at the bottom of Manhattan Island, to 96th Street," hundreds of blocks to the north.

In fact, in population-packed Manhattan, Kenig's and his partner Marvin Putter's concept is so successful they don't have to worry about putting the stores too close to each other.

In some neighborhoods, Loves coexist peacefully and profitably a city block from each other.

(Continued on page 9)

Packed window of discounted H&BA items at Love on busy upper East Side corner in Manhattan illustrates merchandising approach of co-owner Al Kenig (inset). *(DSN photo)*

Digest March 7, 1983

TOYS

- **Buyers will have a tough time picking among the flood of** licensed items they saw at the Toy Fair. (p. 13)

APPAREL

- **Basics like terries look to be strongest in women's robes for** spring. (p. 14)

HOME IMPROVEMENT

- **Chains are fine-tuning their merchandise mix; their planning** reflects a cautious outlook. (special section, pp. 23-45)

PHOTO

- **Improved new color print film** is seen as a sales spur. (p. 60)

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Federated to Open Calif. Cut-pricer?

CINCINNATI—Federated Department Stores appears to be preparing for another shot at the California market with a discount, or off-price, retail operation.

The $7.7 billion retail conglomerate announced Michael Jeffries, previously executive vice president of Federated's Los Angeles-based Bullock's department stores, was shifted to the corporate staff. His mission; "exploration of new business concepts for the corporation."

A company spokesman said, "We're not ready to announce what Jeffries is doing."

However, several signs point to Federated's renewed interest in building a discount presence, probably with an off-price apparel chain in the California market.

Jeffries' joining the corporate staff won't entail a move into Cincinnati. He will remain in Los Angeles, and the Federated spokesman acknowledged California was the market targeted for his scrutiny.

Jeffries comes to his new spot with a strong background in apparel. He was vice president, general merchandise manager for apparel at Abraham & Straus before joining Bullock's.

In his new position, Jeffries reports to Norman S. Matthews, the Federated executive vice president who oversees its price-oriented operations: Gold Circle, Richway, Filene's—with its basement stores expanding outside the Boston market—and Ralph's, the supermarket chain.

(Continued on page 4)

Dental Units Take Root In 100 Stores in 6 Yrs.

WASHINGTON—More than a dozen major discount chains have launched in-store dental centers over the past six years, and despite resistance from organized dentistry more than 100 retail dental outlets have opened across the country so far, a new study prepared for the Federal Trade Commission disclosed.

Significantly, however, the researchers found that discounters, department store and drug chain operators moving into the dental care field are doing so on a highly selective basis.

A solid 90% of all retail store dental centers in operation last year were clustered in just 10 states, with the greatest concentration in the northeastern United States and the Sunbelt.

In addition, the study found that chains tend to locate in-store dental facilities in areas with "high dentist-to-population ratios," particularly states with "a relatively large number of dentists in group practice."

Discounters also tend to restrict their dental care operations to areas where the supply of new dentists is likely to grow. Not a single discount chain dental center has opened in any of the 18 states that have no dentistry schools within their borders, the FTC-sponsored study found.

Location of Units

The heaviest concentration of retail dental outlets is in New York, where at least six chains (Alexander's, Modell's, Majors, Masters, Times Square Stores and Sears) were operating a combined total of 15 in-store dentistry centers by mid-1982, the researchers told FTC.

Florida and California rank second and third with 13 and 11 chain dental operations, respectively.

Other discounters with a foot in the retail dentistry door include K mart, Zayre, Jamesway, Jefferson, King's and Fred Meyer. In addition, five dental centers which originally opened in now-defunct New Jersey Two Guys stores are still in operation under a new (Nu-Dimensions) trade name, the researchers found.

In addition to discount chains, general merchandisers such as Sears and Montgomery Ward, as well as several drug chains (Revco, Eckerd and Peoples) have launched in-store dental operations, the study found.

Noting a wide variation in the physical layout and marketing approach among the scores of retail dentistry centers now in place, the researchers said that while some "replicate the atmosphere of a traditional dental office, using individual operatories for patient care," others "have grouped dental chairs within large treatment areas to maximize staff productivity."

But, chain dental operations are distinguished from traditional forms of dentistry practice not by office design, but rather by their "style of practice—the emphasis on high productivity by the professional staff, expanded hours, use of advertising, and 'competitive' fees," the researchers concluded.

The study, which was prepared for FTC by the Universi-

(Continued on page 64)

In-store Dental Centers

State	No. of Sites	Chains
New York	15	Alexander's, Majors, Masters, Modell's, Sears, Times Square Stores
Florida	13	Zayre, Jefferson, Sears, Eckerd Drug
California	11	Montgomery Ward, Sears
New Jersey	8	Jamesway, Two Guys*
Illinois	7	Montgomery Ward, Zayre, Osco Drug
Ohio	7	Zayre, Revco Drug, Barney's Kroger, Montgomery Ward
Pennsylvania	7	Hess, Kaufmann's, Montgomery Ward
Maryland/D.C.	5	Zayre, Peoples' Drug, Montgomery Ward
Arizona	4	Montgomery Ward, Sears
Colorado	3	K mart
Massachusetts	2	Zayre
Michigan	2	Montgomery Ward
Washington	2	Fred Meyer, Montgomery Ward
Minnesota	1	Montgomery Ward
North Carolina	1	King's
Wisconsin	1	Zayre

**Two Guys stores in New Jersey have closed but five of the chain's original in-store dental centers remain in operation.*

Source: Institute for Health Policy Studies research conducted for the Federal Trade Commission.

Zayre Drops Metro Setup, Revives District Concept

FRAMINGHAM, Mass.—Five years ago Zayre restructured its field organization; now the 268-store chain is doing it again.

The plan calls for the return of the district organization concept which the discounter scuttled in 1978.

Thirty district organizations, each administering seven to 10 stores, will be created. Each district will, in turn, report to one of the three existing zones—the Northeast, Southwest and Midwest.

Reinstituting the district setup will coincide with elimination of the currently operating 15 metro organizations, each handling from 20 to 30 stores.

Malcolm L. Sherman, executive vice president of Zayre Corp. and general manager of the roughly $1.6 billion discounter, said the staff at the zone levels would be expanded to handle "merchandising, control and operating responsibilities formerly held by the metros."

This expansion will include: two more merchandise managers, making a total of four per zone; the addition of an operations manager, a new post within the zones; and beefing up of the personnel and security staffs.

Sherman said the switch to 30 district managers, responsible for a smaller group of stores than the metro heads, means that "district managers will have more of a hands-on impact in running the stores."

In 1978 Zayre moved from a field structure composed of six regions and 27 districts to a new format of three zones plus the metros. The current field overhaul goes back to the district structure, similar to what existed prior to 1978.

According to Sherman, "Each of the field reorganizations, this one and the one five years ago, takes into account the state of the art in running stores that exists at the time."

Today's "state of the art" at Zayre includes store communications advancements, fast retrieval of sales data and the winding down of its MDP program. By the end of 1982 the chain completed its installation of store administrative terminals (SAT), computers connecting the stores, warehouses and headquarters into one communications network.

Gymnastic Products Hot at NSGA Show

CHICAGO—Big-ticket gymnastic items were on the minds of sporting goods buyers returning from the 54th annual National Sporting Goods Association show held here recently.

The overall emphasis at the annual event, however, has shifted in recent years from hard goods to sports-related apparel and footwear.

Gravity boots—permitting consumers to hang by their feet to exercise back muscles, and monster benches, extra-thick tubular frame units used for workouts—were the talk of the show.

"Exercise gear is big. There is enough equipment if you want to hang from your feet," said Bob Vanmeter, sporting goods buyer for Gold Circle in Ohio. "I think the gravity boot system is bigger than ever before."

Vanmeter said his chain would begin carrying the Gravity Guidance system this month, with the entire package retailing at $199.

He said the stores would be promoting the system heavily for Father's Day.

The system includes a bar that can be mounted across a door or hallway and special boots with inverted hooks that can clip onto the bar and allow a person to hang upside down.

Dick Adkins, sporting goods buyer for Heck's, said he is thinking about stocking the boots in the fall. He said of the 20 or so manufacturers at the show, Gravity Guidance and Exer-Tec seemed to be the most competitive. Both packages, he said, would retail for about $200.

He said the sporting goods business at Heck's was about 30% stronger in 1982 than in the previous year. He said gymnastics sales grew by about 20% during the same period. He expects similar growth in 1983.

Adkins said the wholesale price of the boots would be about $60, with $20 for the bar.

"We are studying the gravity boots," said Paul Berg, sporting goods buyer for Rose's. "We aren't carrying them yet and will be studying all the vendors who are selling the line."

NSGA83

Heck's Adkins said another item to catch his eye was Diversified's Gympac, an exercise system with a retail of about $350.

The Gympac system is already being sold by Target, Richway, Lechmere and Bradlees. It includes a wall-mountable pulley system designed for both arm and leg exercises plus a weight bench with a leg curl.

Adkins said some of the most noticeable improvements this year were in exercise bicycles. He mentioned the Diversified

(Continued on page 10)

Caldor *Times'* No. 1 Suburban Advertiser

NEW YORK—Caldor's 1982 store openings in New Jersey cemented the Connecticut-based discounter's position as the No. 1 suburban advertiser in *The New York Times* last year.

The retailer spends about $400,000 with the newspaper each year, mostly in its New Jersey, Connecticut and Westchester regional Sunday sections, said Walter J. Campbell, director of suburban advertising at the *Times*.

The average price of a one-page rop advertisement in each of the regional weekly editions of the newspaper is $3,600.

Caldor first took the title of being the *Times'* top suburban advertiser in 1980. Besides rop ads, the retailer also regularly places circulars in the regional editions.

The growth of Caldor's advertising budget with the newspaper has grown in proportion with the chain's own growth into suburbia and its desire to capture middle- and upper-income shoppers, said a spokesman for Caldor.

The retailer shares its print budget with the Gannett Westchester-Rockland newspapers, and *The Record* and *The Star-Ledger*, both in New Jersey.

Campbell said other top suburban retail advertisers with the *Times* include Bradlees, Channel Home Centers and Stern's department stores. He declined to state their advertising budgets with the newspaper.

Distribution of the Sunday *New York Times* in 1981, the last available reporting period, was 255,000 copies in New Jersey, 103,000 in Connecticut and 86,000 in Westchester County.

Caldor, No. 1 suburban advertiser in *The New York Times* last year, ran this ad jammed with sale items in a Sunday regional edition of the paper last month.

BEST AVAILABLE COPY

Service Merchandise Net Soared 36.8% Last Year

(Continued from page 1)

Service Merchandise executives cited a number of factors behind the chain's performance (which trade observers noted isn't likely to be matched by any other publicly held cataloger, particularly with respect to the explosive profit gain).

The key move was maintaining gross margins during the fourth quarter, rather than engaging in the excessive price promotions of 1981's holiday period that the cataloger staged to maintain sales in that year's recession.

This was done by including more higher-margin goods—particularly jewelry—in flyers and other promotions to produce higher overall profits, so that the cataloger's total gross margin was maintained in the fourth quarter despite increased advertising.

Service Merchandise's gross margin in the fourth quarter was 22.8%, the exact same figure as for the entire year. In the previous 1981 fiscal year, the fourth-quarter margin was 20.1%, while the overall figure for the year was 21.6%.

Trade observers and company sources noted the cataloger improved merchandising of higher-profit jewelry, and consumers were more receptive to flyers, with the sharp sales prices on covers creating a low-price image for the promotions.

The improved jewelry merchandising was evident from the eight-page The Collection insert of jewelry and Rolex watches used in catalogs distributed in selected markets such as Miami and Boston where Service Merchandise saw an opportunity to sell additional high-profit goods. The high-price items ranged from $399 for a chain to $3,997 for a cocktail ring with 3½-ct. total weight of diamonds.

Profits generated by jewelry varied. Staple prices for gold and other jewelry items allowed Service Merchandise to retain the listed catalog price and meet profit projections for this merchandise. In some cases, the cataloger was able to obtain even higher profits. Its costs for jewelry didn't go up as much as projected, so the listed book price produced more profits.

Service Merchandise also controlled the increase in selling, general and administrative (SGA) expenses as a percentage of total sales.

Figures Analyzed

SGA for the year was 14.7%, only an 8% gain from the 13.6% figure in the previous fiscal year. In the fourth quarter, SGA amounted to 12.1% of sales, which would seem to be a big 18.6% increase from the 10.2% reported for the quarter in 1981. The fourth-quarter SGA, however, included two undisclosed one-time changes. One was a payment to Sam Solomon creditors that was due as part of Service Merchandise's acquisition last summer of that cataloger, and the other was a payment to underwriters of the cataloger's $35 million convertible debenture offer issued last year.

SGA also went up in the fourth quarter due to additional labor costs as the cataloger put more clerks on the showrooms' selling floor to provide more customer service.

Service Merchandise ended the year with 139 showrooms, which reflected the acquisition of seven Sam Solomon units and a net gain of 16 stores opened by the company. Same-showroom sales were up 6.2% for the year, but only 2.1% in the fourth quarter.

The same-showroom gains were sharply down from the figures reported for 1981, when the figure for the year was an 11.1% increase, and for the quarter 14.3%.

The poor same-showroom sales increase along with the small 16.4% overall sales gain for the year as compared with the 19.8% increase in a number of showrooms only pointed up the cataloger's exceptional profit performance.

K mart Gives Green Light

(Continued from page 1)

"brands for less" programs in 1983, a trade source said company chairman Bernard Fauber went further explaining the chain's off-price apparel plans.

Fauber's comments, said this source, to a group of business executives in Australia in January were that K mart plans:

- For Designer Depot: 30 stores within four months and double that number by the end of 1983.
- For K mart: 100 "brands for less" areas by the end of the first quarter, April 1, with at least 50% of all metro area stores, about 1,000 units, having the program by the end of year. Fauber said he expected 25% to 50% of apparel sales in these stores would come from off-price name brand merchandise.

Another trade source stated some of the Designer Depot stores slated for future opening would be much larger than the 16,000-sq.-ft. pilot unit which opened in the Detroit suburbs in Dec. 1, 1982.

"The new stores," said this market observer, "will be anywhere from 16,000 all the way up to 60,000 sq. ft."

-- MARILYN NEERMAN

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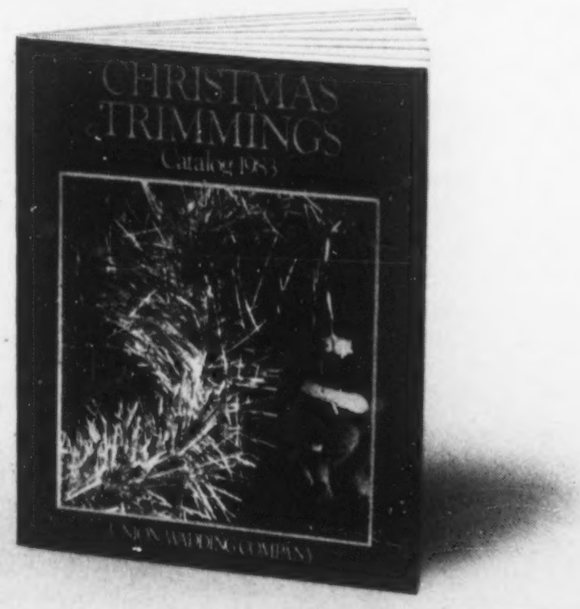


KDT and Creditors Study Ames' Offer

(Continued from page 2)

ing up a written agreement that would include the sweeteners the committee obtained during protracted negotiation during the past few months during which it rejected other Ames offers.

KDT's board was also due to meet at presstime to act on the Ames offer, with the board interested in obtaining more money for company stockholders. It has called the $1.5 million payment to shareholders "insufficient," a company executive said.

The board faces a major hurdle in getting Ames to sweeten its offer to stockholders, as any payment to them will have to be made through the creditors committee.

The committee has accepted the $1.5 million stockholder payment as part of its tentative acceptance of the Ames proposal.

However, the less than full repayment that creditors would receive means they would be less likely to increase any payment to KDT stockholders. Should Ames offer more money to stockholders, the creditors could be expected to press to have the funds used to pay off KDT's debt, one source explained.

While the negotiations among KDT, Ames and the creditors seemed to be heading toward a showdown, another King's store auction was held last month and it raised $1.6 million from the sale of 10 leases.

In the auction, K mart obtained a store in Allentown, Pa.; Laneco, a unit in Kutztown, Pa.; Service Merchandise, one in Augusta, Me., and Mars, stores in Ludlow and Salisbury, Mass. Landlords obtained the other five.

While 60 store leases were originally due to be auctioned, one was withdrawn due to litigation with a landlord and 25 were withdrawn because Ames and other parties were interested in specific sites. The 24 other stores were withdrawn when no bids were received for them.

KDT and Ames have declined to state the exact number and location of the King's stores that Ames wanted. Its list reportedly included 42 stores, comprising some closed King's and some of the 25 stores still run by KDT.

Ames' offer was structured as a low-cost, debtless takeover of KDT. The main repayment to KDT's creditors would come from funds the bankrupt company already has on hand and from the sale of store leases.

Ames' direct costs would be its $1.5 million payment to KDT stockholders and issuance of a new voting convertible preferred stock that could eventually slightly increase the number of owners of the company's stock. The company is authorized to issue 7.5 million shares, of which approximately 3.5 million are outstanding.

If the Ames "understanding" isn't effectuated due to either a rejection by the creditors and/or KDT's board, then KDT would have to come forward with a reorganization plan by the start of March, unless it received another extension by the bankruptcy court.

A company source said that KDT has developed such a plan. It centers on continuing to run its 25 currently operating stores.

Coalition Sets Anti-RPM Drive

(Continued from page 1)

forcement policies.

Representatives of at least three national consumer organizations—Congress Watch, the National Council of Senior Citizens and Consumers' Union—have already broken their silence on the RPM issue and are preparing to join the offensive.

"Resale price maintenance is unlawful now and our position is that it shouldn't become lawful," Consumers' Union attorney Mark Silvergild told *DSN*.

CU's Silvergild and representatives from other consumer organizations aligned with the new Capitol Hill coalition are particularly concerned over reports that Justice Antitrust Division officials are drafting legislation prohibiting the courts from treating RPM as a *per se* violation of Federal antitrust law.

"Such a change in the law would turn the clock back to the Depression era when manufacturers were allowed to artificially inflate the prices of their goods through so-called Fair Trade conspiracies," one consumer activist said.

In recognition of the consumer organizations which have joined the anti-RPM crusade, officials at the AGMC announced that the group had been officially named the "Business-Consumer Coalition against Price Fixing."

Besides AGMC and the National Mass Retailing Institute, the coalition includes representatives from a variety of other retail segments, including supermarkets, drug chains and catalog showroom operators.

Dental Centers Took Root

(Continued from page 3)

ty of California's Institute for Health Policy Studies, reported a significant shift in how discount chains view the role of in-store dental centers.

"When retail dentistry first developed, some stores viewed dental offices merely as a way of filling empty or nonproductive space," and some chains "put dentists only in their least successful stores" or in "inaccessible" locations, the researchers said.

"Today, department, drug and discount stores increasingly view dental offices not only as an added source of revenue, but as a means of generating customer traffic," they maintained.

Despite the continued growth of in-store dental offices, retail dentistry is not without problems, the California researchers told FTC.

By 1980, some chains began to close down their less profitable dental operations, and by the middle of last year at least 16 of the 106 in-store dentistry centers established over the past six years had been shuttered.

Further, the researchers noted that discount store dental operations are now coming under increased competition from freestanding independent dental offices in regional and community shopping centers.

SPORTING GOODS

New Lines Should Hook Fishing Biz

By FRANK KATLIN
Executive Vice President, Maurice Sporting Goods

The fall of 1982 will be remembered as a major disappointment in sporting goods as retailers across the country regroup for a hopefully improved 1983. The firearm business was well below expectations as the increasing retail price points of shotguns drastically hurt fall sales in the poor economy. The handgun business, traditionally strong, also felt the crunch .

The lone area of growth this past fall was hunting accessories and ammunition.

Strong promoting and well-planned rebate programs contributed to the ammunition sales that carried the season remarkably well.

Fishing tackle was also a major bright spot, selling extremely well late into the summer and fall. Christmas sales of promotional fishing tackle combinations and tackle boxes left sporting goods buyers very pleased with year-end results.

Overall inventories in fishing tackle are in a stable position as 1983 begins to take shape. The fishing tackle industry should be greatly improved in 1983, based on early buying trends and positioning in the sporting goods market.

With the addition of several major new product lines the fishing tackle business should trigger some increases for the mass merchants.

The South Bend Tackle Company has a new terminal tackle program which will give fishing departments an attractive and uniform appearance which retailers have long sought in this area.

Daiwa and Shimano have introduced new and exciting reel lines which retailers will heavily promote. In the rod business, South Bend and Daiwa will again dominate with Garcia and Ryobi introducing new rod lines.

Overall, expect premounted combos and packaged kits to continue dominating sales in the tackle department. On a promotional scale, the 201-piece tackle box retailing under $10 will remain a strong seller.

The year 1982 showed a slight sales increase again in physical fitness and related exercise items.

PMA PRODUCT MOVEMENT AUDIT

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	FISHING			
1	South Bend Poly Spncst Kt—C130/0113	18,200	12.99	236,418
2	Sheldon/Mepps Asst. Lure Kits	16,000	13.99	223,840
3	Zebco Poly Spincast Kit—1545	9,200	14.99	137,908
4	Zebco Poly Spincast Kit—1245	12,000	10.99	131,880
5	Whitewater Tackle Box w/201 Pcs-TBP1	16,500	7.99	131,835
6	South Bend Slvr Strk Series Rods	9,700	11.99	116,303
7	Daiwa Poly Spinning Kit—402/212	7,200	15.99	115,128
8	South Bend Spin Cast Combo—175/2125	4,400	21.98	96,712
9	Minn Kota Trolling Motor—10	1,240	54.99	68,187
10	Flambeau 3 Tray Tackle Box—PA103	5,600	11.99	67,144
11	Grierson Wood Flit Brd w/knife—FB24SKE	6,300	9.99	62,937
12	Normark Deluxe Fillet knife—FNF6	6,400	6.99	44,736
	FIREARMS & AMMO			
1	Remington 12 ga Auto Shotgun—5336	960	399.00	383,040
2	Mossberg 12 ga Pump Shotgun—500AKG	1,600	199.00	318,400
3	Remington 12 ga Pump Shotgun—6934	830	315.99	262,272
4	Ruger 22 Auto Rifle—10/22RB	2,100	109.99	230,978
5	Remington Dck & Phsnt ShotShell—DP12-6	26,350	6.99	184,186
6	Remington Thunder Bolt 22LR Ammo—TR22	93,000	1.59	147,870
7	Marlin 22 Auto Rifle w/scope—60S	1,200	88.99	106,788
	ATHLETIC			
1	Bear Hunter Compound Bow—4280	723	133.95	58,134
2	Camo Hunting Stool—FS6	3,600	13.99	50,364
3	Wilson Vinyl tote Bag—6913	2,600	16.99	44,174
4	Marksman BB/Pellet Pistol—1010	2,300	13.99	32,177
5	Stadium Seat—BS10	3,120	9.99	31,168
6	Tonka Toaster—SSL55	4,450	6.99	31,106
7	E. Z. Mount Gun Rack—100	4,300	6.99	30,057
8	Bear Red Bear Archery Set—5506	1,800	15.99	28,782
9	Daisy Red Ryder B.B. Gun—7938	723	31.99	23,129
10	Norlund Belt Axe—AX11	1,320	10.99	14,507

Source: Maurice Sporting Goods, Chicago, for October through December 1982. Maurice distributes to 31,000 stores in 36 states, 72% of which are discount stores.

Gun cases are displayed on a circular rack in Heck's, Charleston, W. Va. Hunting accessories were among the few bright spots last fall, reported distributor Maurice Sporting Goods, Chicago. *(DSN photo)*

HOME IMPROVEMENT

Basics Ordering Reflects Fewer Chain Promos

Fewer hardware and home improvement promotions were run in the 1982 post-Christmas season than were apparent the previous year, the Product Movement Audit from Stem-Nickman Distributing revealed.

Instead, hardware retailers were restocking judiciously on basic items, officials of the Cleveland distributing firm asserted. A comparison of similar categories from the previous year confirms this tendency.

The latest PMA covers the period from Dec. 20 through Jan. 29. Last year's PMA was for the slightly shorter Jan. 1 through Jan. 31 period and reflected many more optimistic hardware promotions.

The top performer, for example, in the tool category this year was a chrome Arrow staple gun, of which 358 units at an average retail price point of $15.18 were moved. The total retail value was a mere $5,434.44. Last year, the same Arrow stapler had a higher average price—$16.14—but moved 626 units for a total value of $10,103.64 while only attaining third place in the category.

Conversely, a 1982 promotion early in the year of the Bernz propane blowtorch and a companion fuel cylinder placed those items first and second in total dollar value, while in this post-Christmas season the blowtorch placed 10th and the fuel cylinder was third. Perhaps even more revealing than the rankings are the unit and dollar values of those items.

While in 1982, 2,281 blowtorches at $10 each were sent to retailers—for a total value of $22,810—in 1983 a relatively paltry 312 torches at $10.01 were moved for a retail value of $3,123.12. Also, last year 6,312 fuel cylinders were distributed while early 1983 orders were only for 1,416.

One hardware item that was widely promoted this year was

(Continued on page 34)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOOLS			
1	Arrow staple gun chrome	358	15.18	5,434.44
2	Bernz Medina fuel cylinder	2,256	2.38	5,369.28
3	Bernz fuel cylinder	1,416	2.71	3,837.36
4	Stanley tape Powerlock	301	12.11	3,645.11
5	Screwball driver/socket	211	15.77	3,327.47
6	USM multihead rivet tool	412	7.89	3,250.68
7	Waterloo 18" box with tray	189	16.93	3,199.77
8	My Buddy 19" one tray br	276	11.54	3,185.04
9	My Buddy 15½" one tray rd	390	8.14	3,174.60
10	Bernz propane blow torch	312	10.01	3,123.12
11	Bernz oxygen cylinder	492	5.93	2,917.56
12	Waterloo 19" box	212	13.29	2,817.48
13	USM electric glue gun	291	9.38	2,729.58
14	Bernz tote torch kit	72	36.08	2,597.76
15	Estwing sportsman's axe	139	18.61	2,586.79
	ELECTRICAL			
1	Romex w/grd 250' per box	531	35.23	18,707.13
2	½ Conduit 10' length	6,230	2.03	12,646.90
3	Flo wrap/arn fix 2-4ow-48	286	27.43	7,844.98
4	Grd duplex receptacle	11,522	0.64	7,374.08
5	Cros 2 fuse w/leverox	421	12.77	5,376.17
6	Naut bath fan ceiling-wall	200	24.89	4,978.00
7	Grd duplex receptacle	7,420	0.64	4,748.80
8	P/C Parc rec w/o	1,946	2.36	4,592.56
9	Lev duplex recpt plate	13,494	0.30	4,048.20
10	1⅞ deep Handy box	5,247	0.68	3,567.96
11	Norelco mercury vapor light	72	47.06	3,388.32
12	4" plain Octagon box	5,132	0.62	3,181.84
13	50' 12/2 Romex w/ground boxed	365	8.48	3,095.20
14	Lutron UL rotary dimmer	676	4.35	2,940.60
15	100' 12/2 rome w/grd boxed	180	16.09	2,896.20

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BLACK & DECKER			
1	⅜" Drill v/s rev lock	92	37.85	3,482.20
2	Sander obl/ins	108	25.34	2,736.72
3	½ Var spd rev drill	41	56.20	2,304.20
4	¼" Drill double/insul	143	15.01	2,146.43
5	13 pc h/s Drill set	176	9.08	1,598.08
6	5½" Circular saw	48	30.79	1,477.92
7	Drill elec speed cont	24	60.26	1,446.24
8	Router ⅝ hp ball bearing	37	34.71	1,284.27
9	7¼ Circular saw bld 3 pak	140	6.83	956.20
10	7 pc hs Drill set	196	4.81	942.76
11	¼ r Ogee router bit	132	6.11	806.52
12	Sander dual/act ⅓ sht	19	39.38	748.22
13	Workmate single hgt	14	52.55	731.08
14	5 pc Drill bit set	195	3.46	674.70
15	⅜ Rabbet router bit	116	4.81	557.96
	IMPORTS			
1	2 ton Floor jack	321	61.96	19,889.16
2	40 pc Socket set	2,601	7.49	19,481.49
3	22 gal Air compressor	17	554.04	9,418.68
4	2 ton Cable hoist puller	372	18.75	6,975.00
5	Tab double face sledge hammer	264	14.51	3,830.64
6	4.5 Tab metal cut band saw	13	248.07	3,224.91
7	4 way Crimping tool	432	5.63	2,432.16
8	Comb socket/tool set 62 pc	77	29.25	2,252.25
9	4 ton hyd Bottle jack	146	15.26	2,227.96
10	8 ton hyd Bottle jack	76	28.38	2,156.88
11	7 pc wood Ladl s/d set	408	4.49	1,831.92
12	16-oz tubular Claw hammer	486	3.41	1,657.26
13	4" Bench vise	97	14.37	1,393.90
14	9 x 10" Sandpaper asst	1,190	1.17	1,392.30
15	Pipe wrench 10"	295	4.49	1,324.56

(Continued on page 34)

Benefits

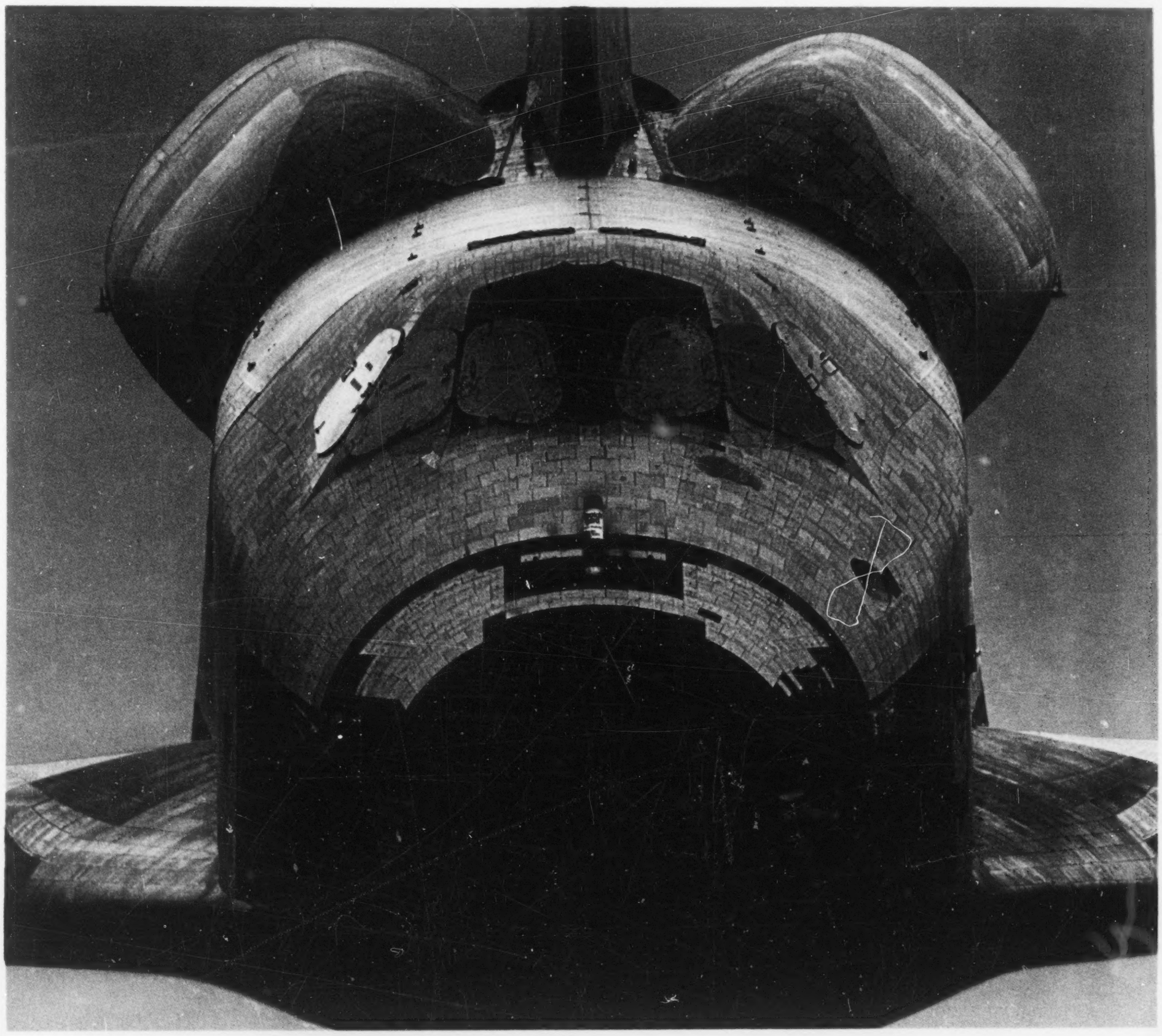
(Continued from page 21)

such a plan is desirable), rather than maintaining an expensive program for everyone in the company.

Conclusion

Employee benefit programs, like any other significant cost item, should be properly managed. Effective management of these programs requires that accountability and responsibility for these programs be assigned to individuals who have both the expertise and the resources to manage them. If benefit programs are properly managed, their costs can be controlled, while effectively meeting the needs of employees.

The programs should also be evaluated periodically to see that they are accomplishing what they were designed to do. Such an evaluation can identify opportunities for cutting costs or expanding benefits at the same cost.



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HOME IMPROVEMENT

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PAINT SUNDRIES				
1	Savogran kutzil gal	812	9.69	7,868.28
2	WD40 multiuse lubricator	2,940	2.42	7,114.80
3	EZ 3 pc paint set	996	2.60	2,589.60
4	Manco masking tape 60 yds	2,664	0.95	2,530.80
5	Manco masking tape 40 yds	4,368	0.56	2,446.08
6	Bondex joint cement premix	171	12.28	2,099.88
7	EZ 4 pc brush set	1,080	1.85	1,998.00
8	Manco masking tape ¾ x 60 yds	2,832	0.67	1,897.44
9	3M 9 x 11 m prod sand	1,360	1.34	1,822.40
10	Sano paint remover paste	156	10.33	1,611.48
11	Borden carpenter wood glue	575	2.70	1,552.50
12	3M 9 x 11 c prod sandpaper	1,110	1.34	1,487.40
13	Manco masking tape 2 x 60 yds	888	1.97	1,482.96
14	Amer/sun steel wool poly 8 pk	1,272	1.13	1,437.36
15	Bondex spachtling paste qt	474	2.84	1,346.16
HOME IMPROVEMENT				
1	Brn Natco vinyl mat 36 x 105	8	237.43	1,899.44
2	Key caster ball stem 2"	615	2.98	1,832.70
3	Key caster ball stem 2¼ x 2"	504	3.37	1,698.48
4	Mapes 10 dowel clothes dryer	192	8.75	1,680.00
5	Manco/arno duct tape 2 x 1 or	1,272	1.28	1,628.16
6	Hoyne clear mirror	232	6.83	1,584.56
7	Key caster ball plate 2½ x 2	450	3.37	1,516.50
8	Deflecto heat deflector promo	1,488	0.98	1,458.24
9	6' wood step ladder	55	26.50	1,457.50
10	Blk Natco vinyl mat 36 x 105'	6	237.43	1,424.58
11	Peer chain prf-3/16-125	12	117.02	1,404.24
12	Key caster ball plate 2"	465	2.98	1,385.70
13	Keller two-step alum ladder	84	16.06	1,349.04
14	2½ ps 250 swivel caster	456	2.64	1,203.84
15	2½ ps 200 swivel caster	912	1.30	1,185.60

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
LUCITE PAINT (gal.)				
1	Int enml white	1,048	16.73	17,533.04
2	Wall ceiling white	1,200	12.82	15,384.00
3	Wall ant white	1,016	12.82	13,025.12
4	Wall white	684	12.82	8,768.88
5	Wall natural beige	656	12.82	8,409.92
6	Int enml ivory	460	16.73	7,695.80
7	Wall classic cream	592	12.82	7,589.44
8	Int enml classic cream	448	16.73	7,495.04
9	Wall off white	544	12.82	6,974.08
10	Wall mirage white	460	12.82	5,897.20
11	Int enml sft peach	352	16.72	5,885.44
12	Wall sunglow	448	12.82	5,743.36
13	Wall soft peach	432	12.82	5,538.24
14	Wall cameo pink	424	12.82	5,435.68
15	Wall dover blue	404	12.82	5,179.28
PLUMBING				
1	40 gal Gas heater 5 yr	232	158.44	36,758.82
2	Mark II b grade toilet comb	446	53.16	23,709.36
3	½ m hard Copper 10' length	5,425	3.46	18,770.50
4	40 gal Gas energy saver	71	222.21	15,776.91
5	Aqua kitchen faucet 2 hl w/sprea	267	39.43	10,527.81
6	½ CPVC pipe 10' length	4,258	2.22	9,452.76
7	Mustee single laundry tub	407	21.40	8,709.80
8	1200 Aquastream lav faucet	516	16.26	8,390.16
9	Aqua kitchen faucet 2 handle	291	27.86	8,107.26
10	2 crt 40 gal Elec energy svr	34	198.72	6,756.48
11	Aqua lav fct w/pop-up handle	196	33.35	6,536.60
12	Aquastream kitchen faucet	395	16.23	6,410.85
13	Neptune 22 x 33" ss sink	129	39.10	5,043.90
14	Manco duct tape 21" x 45 yd	1,028	3.99	4,101.72
15	Neptune disposer economy	80	43.52	3,481.60

Source: Stem Distributors, Maple Heights, Ohio for Dec. 20, 1982-Jan. 29, 1983. Stem distributes hardware to over 400 stores, 70% of which are discount stores, in 30 states.

Fewer Promos

(Continued from page 33)

the imported 40-piece socket set. Ranked second this year with 2,601 units sent to retailers at an average price of $7.49, a similar set with a $9 price point placed third, but with only 828 units, last year.

Both years, first place in the import category went to a floor jack. In 1982, a 1½-ton jack with an average retail price of $58.50 was the top performer with 277 units bringing a total retail value of $16,204.50. In early 1983, a two-ton model with a price point of $61.96 moved 321 units for a total value of $19,889.16.

That hardware imports are traditionally a promotional category is demonstrated in that those two items are the only similar products to appear on the list of the 15 top performers in 1982 and 1983.

The generally slower replenishment of less promotional products this year is illustrated by the comparative ranking of the Stanley tape Powerlock. Despite a slightly higher price point this year—$12.11 compared to $11.75 last year—total retail value was almost identical. In 1982, 320 units were moved for a value of $3,760. In early 1983, 301 units were sent out for a total value of $3,645.11. However, that movement was enough to place the tape fourth this year while in 1982 the ranking was ninth.

Further Considerations

Direct comparisons in the power tool category are more difficult because Stem-Nickman in 1982 trimmed its offerings, dropping the Wen and Skil lines. Further, the post-Christmas season is an extremely slow one for products in this category, following much more activity prior to Christmas when these items are popular gifts.

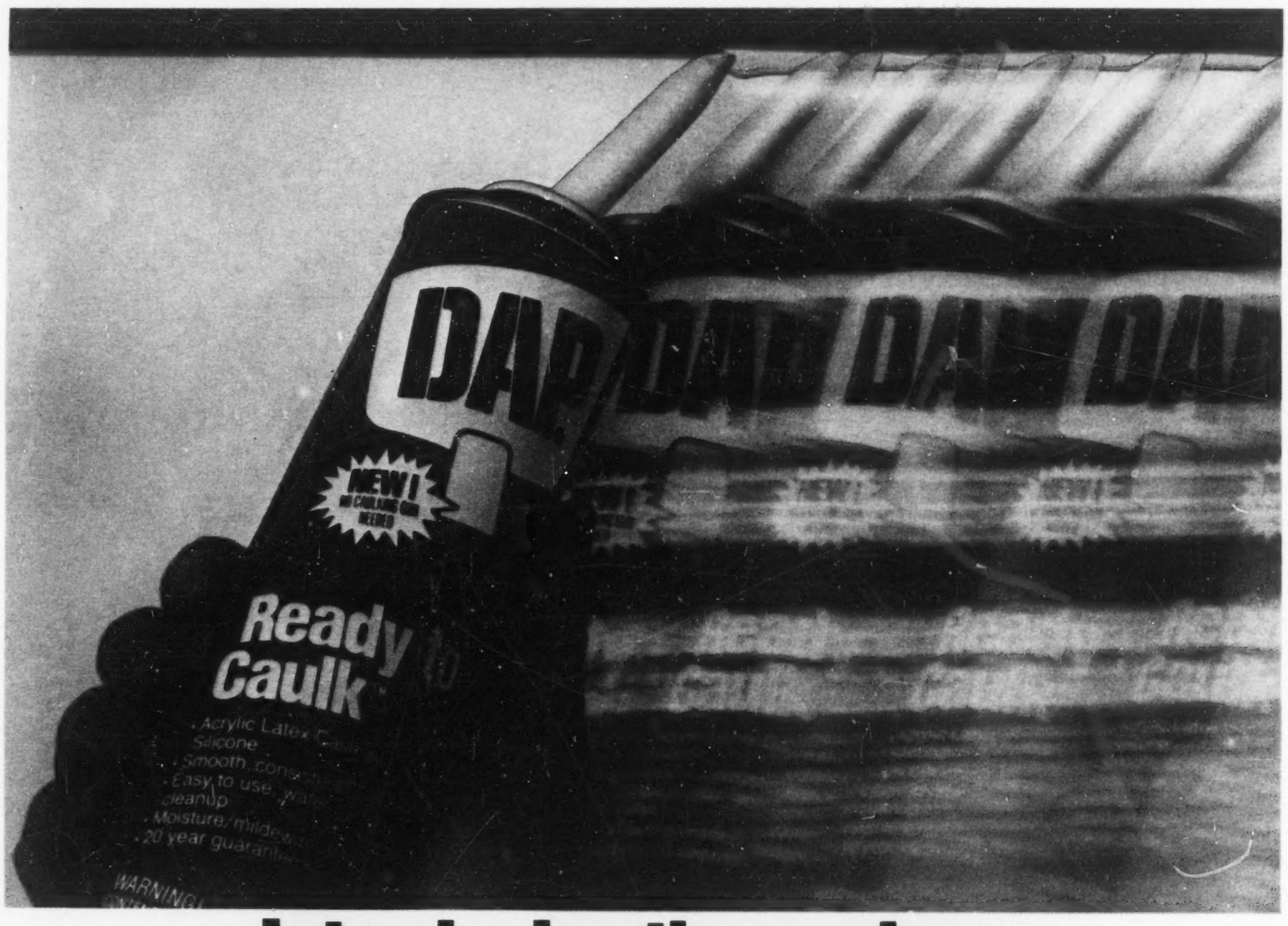
Still, while the specific merchandise in the two PMAs differed, the dollar volumes producing similar rankings were relatively steady. For example, the total dollar values of the top five power tools last year was $13,279.30 while in 1983 the total retail value for the top five Black & Decker tools was $12,267.63.

A Stem-Nickman spokesman said that because promotions in the period were virtually nonexistent, the rankings were indicative of the relative strength of the various items in the Black & Decker line.

A slackening in promotions was most evident, however, in the home improvement and electrical categories. Last year's leader in the home improvement category was Manco/Arno duct tape, which moved 8,448 units at $1.05 retail for a total value of $8,870.40. The tape this year placed fifth, partially because of warmer weather, with 1,272 units at $1.28 retail producing total sales of $1,628.16.

In the electrical category, the leader both years was a grounded 250-ft. Romex extension cord. Last year's average retail price of $32.90 produced total sales of $71,261.40 on 2,166 units. This year the price point was slightly higher—$35.23—and 531 units produced only $18,707.13.

Promotions last year on the 250-ft. Romex and 50-ft. Romex cords placed them first and second and produced much larger dollar volumes than in 1983.



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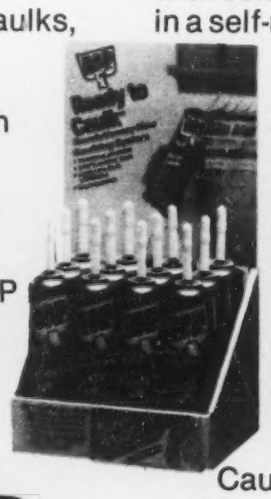

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PHOTO SHOW

See Special Section: Pp. 15-26

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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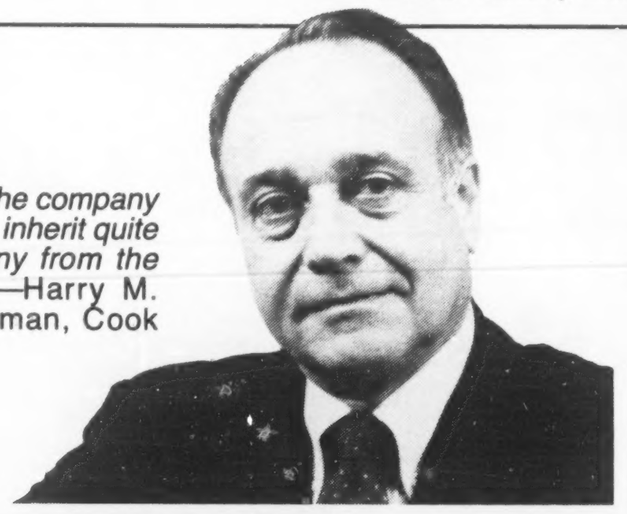

"Whoever inherits the company from me is going to inherit quite a different company from the one I inherited."—Harry M. Broder, new chairman, Cook United.

Broder Will Shake Up Troubled Cook United

MAPLE HEIGHTS, Ohio—The winds of change are blowing at gale force in Cook United, according to the company's new chairman and chief executive officer.

"Let me tell you what I told the salaried employees last Friday," Harry M. Broder said two weeks after taking over the reins. "Whoever inherits the company from me is going to inherit quite a different company from the one I inherited."

While Cook is searching for a president and ceo to replace George Jeffers, who was forced out by the directors, Broder was emphatic in saying, "I am not a caretaker."

That Cook United needs a thorough shakeup was agreed upon in *DSN* interviews with company outsiders and insiders, including Broder. Broder and his president-to-be-named are faced with the task of re-

(Continued on page 45)

High Court OK's Hearing On RPM, Stuns Chains

WASHINGTON—The U.S. Supreme Court shocked discount store industry lobbyists by agreeing to consider Justice Department arguments for a 180-degree antitrust law change that could revive Fair Trade-style pricing restrictions against retailers.

In what several discount chain legal experts called a surprising move, the high court unanimously agreed to hear Monsanto's appeal of a lower court decision which held that the chemical conglomerate engaged in an illegal resale price maintenance (RPM) conspiracy by terminating sales to a price-cutting herbicide distributor.

That case took on particular significance for the nation's discount chains and catalog showroom operators when Justice Department Antitrust Chief William Baxter intervened on behalf of Monsanto and urged the court to overturn the 70-year-old legal underpinnings for the Federal prohibition against resale price fixing.

In a Justice Department "friend of the court" brief filed earlier this year, Baxter argued that in some instances manufacturer resale price maintenance is "pro-competitive," and that RPM should no longer be considered an automatic or per se violation of Federal antitrust law.

Significantly, the Supreme Court hasn't yet agreed to do that. But the nine justices did agree not only to hear Monsanto's appeal, but also Baxter's arguments for changing the RPM law as well.

The effect of the court's action is to set the stage for what could be a "winner-take-all" showdown on the question of whether manufacturers or retailers will decide the price of merchandise sold to consumers.

(Continued on page 48)

Key Discounters Confer With Reagan Advisers

WASHINGTON—Top executives from K mart, Target and other key discount and catalog chains were meeting with White House domestic policy advisers at presstime in a dramatic 11th-hour attempt to neutralize the Justice Department's drive for a Supreme Court decision promoting Fair Trade-style resale price maintenance.

Association of General Merchandise Chains president Edward Borda, who arranged the White House-industry summit conference earlier this month, told *Discount Store News* that it is time for the nation's discount retailers to "pull out all the stops" and aggressively combat efforts by Federal antitrusters to weaken long-standing legal standards under which RPM is considered an automatic violation

(Continued on page 48)

The Woolworth of the 80's

As F. W. Woolworth management was shuttering its Woolco discount store division in late 1982, executives on the variety store side were creating a new prototype store (above) in Cherry Hill, N.J. *DSN* interviewed U.S. Woolworth president John E. Parker (inset) about the Woolworth store of the 80's; the story begins on p. 3.

Acquired in $30 Million Deal

Wetterau Will Expand Laneco

EASTON, Pa.—Laneco is set for a major expansion thrust following its acquisition by St. Louis-based Wetterau, a diversified $2 billion food distribution company.

A Laneco executive said the Wetterau acquisition, in negotiation since September 1981, would strengthen Laneco's financial resources and enable it to become the parent firm's retailing expansion vehicle in the East.

Laneco's sales in its last fiscal year were $242 million, with its nonfood operation—mainly 15 discount stores—accounting for more than $70 million.

The company's expansion opportunities were underscored by its purchase last month of the 70,000-sq.-ft. Bright conventional department store in the Laneco-owned Carbon Plaza Mall in Lehighton, Pa., which also has a 75,000-sq.-ft. Lane discount store as a co-anchor.

Running conventional department stores is seen as a new growth direction for the company. Its operations include three Lane discount stores, 12 Laneco discount store and supermarket combinations, Food Lane supermarkets, two Carriage Drug units and two Just Be Natural health food stores.

The company purchased a 60,000-sq.-ft. ex-King's in

(Continued on page 45)

Balloting Starts For Discounter of Year

NEW YORK—It's time once again to select the Discounter of the Year, and voting is open to all *Discount Store News* readers.

On the ballot, which you will find on p. 48, a distinguished slate of leading discount department store executives compete for the honor of joining such past winners as Sam Walton, chairman of Wal-Mart, and Maurice Segall, president and ceo of Zayre. Voting closes April 30.

For Discounter-of-the-Year ballot, see p. 48.

Your vote for Discounter of the Year should be based on the nominee's contribution to discounting in 1982, and you will find capsule comments next to each man's name to help you make your decision.

The winners will be honored at *DSN*'s annual SPARC (Supplier Performance Award by

(Continued on page 48)

Digest March 21, 1983

HOUSEWARES

- **Noritake, in publicly selling direct to catalogers, is doing** what most dinnerware makers are doing privately. (p. 6)

CONSUMABLES

- **Buying "on deal" is the best route to profits in groceries. (p. 9)** High turns are chalked up by laundry detergents. (p. 10)

PHOTO

- **The upcoming photo show will give a glimpse of a new audio** and visual leisure business. On more conventional merchandise, discounters and catalogers eye lower-priced goods as the main growth area. (Special section, pp. 15-26.)

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		Washington Beat	5

No Bait-and-Switch Found In In-store Dental Centers

WASHINGTON—Despite charges from organized dentistry that in-store dental centers lure patients through deceptive advertising, there is no evidence that chains are engaging in "bait and switch" dental promotions, University of California researchers told the Federal Trade Commission.

Based on a special survey of fees charged by dozens of in-store dental care centers across the country, the new FTC study concluded that retail-based offices tend to charge "reasonable" prices across-the-board.

None of the chain dental centers surveyed "charged consistently less than the area average for routine services and greater than average for other procedures," the study found.

As a result, "straight price comparisons produce no evidence for the presence of [this type of] bait-and-switch tactic."

But at the same time, the researchers said they weren't able to determine whether chains attempt to engage in unfair pricing practices by increasing the "intensity" of their services.

Under this type of "bait-and-switch," the consumer "comes in for a seemingly routine procedure and ends up contracting for extensive dental work," they told FTC.

The issue of whether chain dental operations engage in deceptive pricing practices is central to any future effort by FTC to override state laws and regulations restricting the development of retail dentistry.

These restrictions are typically justified as measures designed to protect patients from substandard procedures or deceptive practices by "cut-rate" dentists.

"In some states," the researchers told FTC, "dentists are excluded from desirable in-house or mall locations because lease agreements, based upon a percentage of gross revenues, are considered fee-splitting by state licensing boards."

In other areas dentistry board rules "curtail effective use of radio, television or regional publication" advertising by dentists, and even more states "ban the use of 'fictitious' trade names" in order to frustrate the growth of chain dentistry.

35mm's

(Continued from page 17)

ing, mostly rangefinder models, carry price points of about $100 to $250. A pop-up flash model retails for as low as $60. He said all the cameras are marked up about 20%.

"Over the years our buyers have increased lines. After examining what is selling and what isn't, we will be cutting from all price categories," he said.

The spokesman said the reason he felt the department fell below its return goal by about 11% was because of the competition with consumer electronics merchandise. He said customers only have a fixed amount of money to spend on leisure items, and that the innovations in electronic games and computers have evidently taken their toll on his departments.

Among catalogers, lower-priced 35mm's are getting the emphasis despite the extensive merchandising of higher-priced SLRs common at most showrooms.

A Dahlkemper merchandiser, for example, said the cataloger was doing its best with 35mm's in the $50 to $150 range, with rangefinder models strong performers because of their ease of operation.

Sales Tax

(Continued from page 32)

much higher for those retailers using manual systems.

Other major compliance costs related to credit and financing. "Outside credit card fees on sales tax plus the financing component of store credit equaled 0.3% to 0.5% of tax collections," Cooper said. "Unrecovered tax from bad checks and uncollectable store credit charges accounted for another 0.3% to 0.4%. These compliance costs, however, were reduced as much as 1% through retailer use of the funds in the time between collection and remittance."

Still another significant cost factor was money handling and counting, which ranged from 0.5% to nearly 1%.

The states surveyed, and their compliance costs as a percentage of taxes collected, were: Arizona, 3.75%, New York, 3.23%; California, 3.13%; Maryland, 2.96%; Pennsylvania, 2.88%; Illinois, 2.79%, and Missouri, 2.03%. The lower costs in Maryland, Pennsylvania, Illinois and Missouri reflect credits allowed retailers against collection costs.

Daughter's Input Evaluated by Product

Product	Mother's Evaluation of Daughter's Influence	Daughter's Evaluation of Her Own Influence	Daughter Influenced Purchases by Providing Opinions Or Information	Daughter Decided On Her Own To Purchase
Packaged Goods (Purchased in past year)				
Breakfast Cereal	80%	77%	78%	36%
Toothpaste	68	65	63	34
Diet Soft Drink	62	65	52	54
Cake Mix	59	60	51	38
Bar Soap	55	50	49	31
Cat or Dog Food	35	35	29	27
Canned Fruit	30	30	27	15
Vitamins	27	25	24	12
Laundry Detergent	21	14	17	12
Durables (Purchased in past 2-3 years)				
Stereo	47	37	39	20
Typewriter	32	22	31	13
Luggage	28	20	22	16
Sheets & Pillowcases	26	28	23	9
Microwave Oven	12	7	12	1

Source: Seventeen *Magazine.*

Teenage Girls Have Powerful Influence On Family Buying Decision: *Seventeen*

NEW YORK—Teenage girls are exercising a powerful influence over family buying decisions.

According to a new study released by *Seventeen* magazine, girls from 13 through 19 have become "partners [with their mothers] in managing the home."

"They may have little choice in the matter," said a *Seventeen* spokesman, but as more women enter the work force teenagers are "the ones who have the time to go out and do the buying."

Interestingly, it is the mothers, rather than the teenagers themselves, who recognize the degree of their influence.

The magazine interviewed 633 pairs of mothers and daughters, and in 12 of 14 product categories the mothers credited their daughters with having greater input into the buying decision than the girls admitted themselves.

Seventeen reported the study is projectable to the nine million households in the country where there is a mother and one or more teenage daughters.

Improve Productivity in a Shrinking Market

(Continued from page 31)

Two Programs: IMPROSHARE® and Productivity Teams

We have developed an approach to improving productivity that is both simple and comprehensive. It consists of two formal programs. The first, a group incentive plan that measures productivity and shares the improvement between employees and management, is called IMPROSHARE®. With a 10-year track record, it has resulted in average productivity increases of 25% for 100 organizations.

The second program is called *Productivity Teams* and has been used by more than 200 companies since 1974. It consists of materials that provide a basis for training managers in techniques and processes for solving problems—such as shrinkage, for example—either in their departments, or on a task force basis. The thrust is to formalize employee involvement, making it a management practice that is linked to department goals and performance measures.

The results of *Productivity Teams* have generally been defined in terms of motivation and morale; however, the cost savings are in the millions of dollars.

Conclusion

Employee involvement is a simple concept; however, it is sometimes difficult to implement. It begins as a philosophy of management, and only with a series of formal programs does it become a management practice. Both IMPROSHARE® and *Productivity Teams* are formal programs with proven results that have been used effectively for several years.

Future columns will describe them in more detail.

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Dayton Hudson Offspring Debut on Coast

8 Targets Bow, Widen Activewear

SAN DIEGO—Target has opened on the West Coast.

While the mix and layout are typical of the Minneapolis discounter, there were signs that the chain is also adapting to its new surroundings.

In apparel, for example, the men's and boys' wear areas have been enlarged to accommodate a broader assortment of activewear—the dressing style of choice for southern Californians.

Name-brand goods, like Pacific Coast Highway and Ocean Pacific, long popular on the West Coast for their bright colors and casual styling, have been added to strengthen the assortment. Izod shirts, jeans

(Continued on page 5)

The object is for Plums to be different—in merchandising and decor—from the long list of off-price retailers, and it succeeds. For more photos of Plums, plus Target in San Diego, see p. 4. *(DSN photo)*

1st 3 Plums Use Unique Off-price Rx

By MARILYN NEERMAN

LOS ANGELES—Plums, Dayton Hudson's bow into off-price apparel retailing, isn't like Marshalls, or Loehmann's, or T. J. Maxx or any others in the off-price ranks.

The three units that opened simultaneously in mid-March in the Los Angeles area revealed that Plums' chairman and ceo, Edwin G. Roberts, has put together a unique, new, off-price formula.

It's a formula, said Roberts, that's expected to yield "over $200 in sales per square foot in the first year of operation." The stores range between 20,000 and 25,000 sq. ft. of selling space.

(Continued on page 5)

Discounters Win Support In RPM Controversy

WASHINGTON—Indications are that discount store and catalog showroom executives have drawn first blood in the resale price maintenance (RPM) controversy.

Rep. William Hughes (D-N.J.) told *Discount Store News* that a number of Judiciary Committee members plan to ask Chairman Peter Rodino (D-N.J.) to urge the Supreme Court to reject Justice Department Antitrust Chief William Baxter's request for a change in the legal ground rules under which RPM has been treated as an automatic antitrust violation for the past 70 years.

Wal-Mart and Best Products execs say Baxter's pro-RPM views strain relations with suppliers. Story, p. 2.

Specifically, Hughes and other committee members hope to convince Rodino to intervene in the pending Supreme Court Monsanto-case RPM showdown on behalf of

(Continued on page 49)

4 Older Bests Get Open Look; Could Be Remodeling Prototype

DALLAS—Best Products has completely revamped its four older, full-line showrooms in this area into what could become a model for refurbishing about four dozen stores 10 years old and older.

The remake resulted in an open look that has jewelry in the center of the store surrounded by other categories. The traffic flow is such that customers can shop all the other departments as they make a circuit around the showroom.

The remodeling had four immediate goals: increase operating efficiencies; show more merchandise in less space; highlight higher-margin departments, and boost the exposure and physical availability of goods to customers.

At the same time, Best wanted to upgrade the showrooms' decor so the total environment would be in tune with the diamonds, jewelry and other big-ticket items carried.

The cataloger was also interested in learning how to keep a showroom open and "shoppable" during a remodeling, rather than closing down the unit during a refurbishing. Best used the Doody Co. to help design the new format and direct the refurbishing while the showrooms remained open.

The four showrooms are each about 60,000 sq. ft., with the Arlington unit a one-floor structure, and the stores in Farmers Range, Hurst and Mesquite each two-story buildings.

The 30,000-sq.-ft. mini showroom in Plano, Tex., which opened about two years ago wasn't remodeled.

Company showrooms that are at least 10 years old include about two dozen Best logo stores and about another two dozen under the LaBelle's, Jafco, Dolgins, Rogers and Millers names that were acquired in the

(Continued on page 50)

Andrew Lewis

Joel Koblentz

Best's Restructuring Pace Pleases Top Executives

RICHMOND—Best Products president Andrew Lewis and executive vice president and chief financial officer Joel Koblentz feel "very comfortable" with the slow but steady pace of the company's restructuring.

The moves under way at the $2 billion company focus on changing it into a more diversified retailer and include the high-priority consolidation of Modern Merchandising, acquired last year.

In a wide-ranging interview at company headquarters in Richmond, Best's two top ex-

(Continued on page 50)

Digest April 4, 1982

BACK-TO-SCHOOL

- **Merchandising for back-to-school will expand into such home** decor categories as telephones, stylish home-office accessories, and home computers and software. (Special section, pp. 9-16, 29-31)

STATIONERY

- **Stationery buyers are encouraged by lower costs on paper and** pencils, and by licensed products. (Supplement, pp. 17-24)

TOYS

- **Stable or lower costs are the big news in preschool. (p. 41)**

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Jamesway, Invading Del., Md., Eyes 20% Sales Rise in 1983

NEW YORK—Jamesway will debut in Delaware and Maryland this month—making it a six-state operation.

Volume for the chain is expected to rise 20% and hit $400 million for fiscal 1983, Jamesway chairman and ceo Herbert Fisher told a meeting of retail stock analysts here.

For fiscal 1982, Jamesway's sales increased 12% to $332.4 million from $296.1 million in 1981. Store count increased by three to 68.

Chain execs are predicting bigger sales gains this year as 10 new stores are added, a POS system is further developed and soft lines merchandising is strengthened.

The chain's 10-unit expansion plan for 1983 includes this month's unveiling of three ex-Woolco units in the new markets of Delaware and Maryland and another ex-Woolco site in Cornwell Heights, Pa., plus last month's openings of two former King's units in Hyde Park, N.Y., and Warrington, Pa. Later this year the chain will open in a former Woolco in Sterling, Va. An eighth site is under construction in Tenet, Pa., and two more stores are currently being negotiated.

Fisher told analysts the former Woolco units in Laurel, Md.; Claymont, Del., and Sterling, Va., will link the stores in neighboring states of Pennsylvania and New Jersey with the current Culpepper, Va., store. He added that for the next five years Jamesway's expansion will focus on its present six-state area.

In three of the four ex-Woolco locations, Jamesway whittled the 103,000-sq.-ft. stores down to 70,000, 80,000 and 50,000 sq. ft., renting the extra space out to other retailers. A fourth location—83,000 sq. ft.—will remain the same size.

The reasons for the predicted 20% increase in volume this year are the same as those for an expected record earnings for fiscal 1982, Jamesway president Arlie Lazarus told analysts.

Lazarus said better buying, better tracking of sales with the help of POS equipment, and improved management boosted 1982 figures.

For 1982, results were seen in markups a full percentage point higher than in 1981, payroll costs down by 0.1% for the second year in a row, and a drop in shrink from 1.6% to 1%.

(Continued on page 50)

Jeans, Activewear, Fleece Look Hot For Men's, Boys'

By MARILYN NEERMAN

LOS ANGELES—Positive signs for discounters' fall/back-to-school 1983 selling season were abundant at the MAGIC (Men's Apparel Guild in California) show.

Among them, new and salable fashion looks—softened colors; the "survival" look; stonewashed, black and prewashed jeans; color-coordinated activewear and fleece; argyles and ragg yarns in sweaters—combined with some improvement in the economy were expected to contribute to a strong back-to-school season for boys' wear.

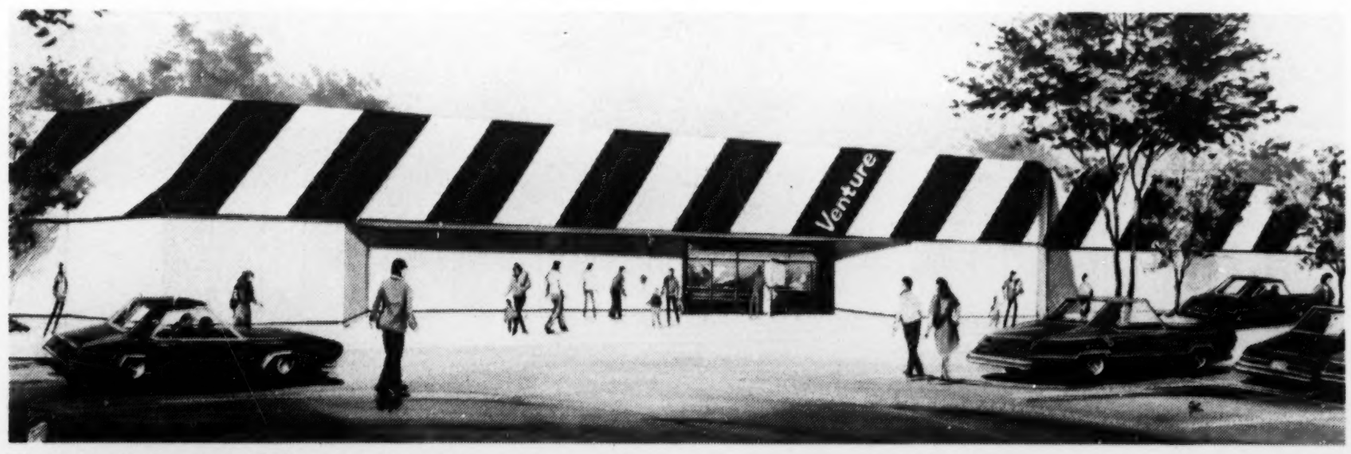
Discounters, very much in evidence along the aisle of the Convention Center, said their MAGIC objectives were: to spot the strong incoming fashion trends; scout for new resources—including traditionally department store brands, and buy spring promotions for immediate delivery.

On all counts, discounters reported they hit the bull's-eye.

The walls haven't come tumbling down yet, but there were signs that more volume department store boys' and men's wear brands were moving closer to courting discounter business, either by selling direct or through diverters.

For instance, a Los Angeles-based diverter made a fall fashion presentation to the Atlas member stores meeting at MAGIC. The buyer for a southern discount chain said: "This was a first at an Atlas meeting; this diverter had everything—a long list of department store lines. We could place sizes and colors any way we wanted them—no different than shopping the line in the manufacturers' showroom."

(Continued on page 9)



The sleek design of the new Venture stores reflects management's continuing upscale mood. Similar fronts will dominate the planned 19 new stores.

Venture, Once Burned, Maps Expansion With Care: 19 Stores Due Over 3 Years

ST. LOUIS—Barely four years after being burned in a major expansion effort, Venture is growing again, planning to add 19 stores—and at least two new markets—to the 47-store chain.

The project will bring the May Department Stores discounter a 40% store growth rate over the next three years.

The most dramatic moves will occur this year when Venture opens three stores in Oklahoma City and one in Springfield, Ill.—new areas for the chain. Eight others are planned for 1984; the remaining seven will open in 1985 when company projections are for $1 billion in sales.

"They won't open all at once, that's for sure," said Venture president Julian Seeherman. "We're not going to be rushing like we did—acquiring 13 stores in April and opening them in August. Every move will be planned and programmed."

That kind of planning was apparently absent in 1978 when the chain converted a recently purchased collection of Turn-Style stores and opened a new distribution center in Chicago. Then, the company's operating profits plummeted from $19.6 million in 1977 to a low of $8.2 million in 1979.

But that's behind them now, Seeherman said. Venture's operating profits rose to $30 million with sales of $680 milion for the fiscal year just ending, a leap of 78.5% over the previous year.

Company officials said the improvement reflects increased productivity, tightened inventory control, expanded custom-

(Continued on page 48)

Turning Point For K mart: Net Went Up 19% in '82 And 44% in 4th Quarter

TROY, Mich.—Chairman Bernard M. Fauber called fourth-quarter and fiscal 1982 earnings " . . . a turning point for K mart Corporation . . ." and Wall Street analysts agreed.

Fourth-quarter net earnings, before a provision for store closings, jumped 63%, reaching an all-time high of $187 million compared with $114.9 million for the same period last year.

Following an after-tax charge of $21.8 million for the closing of 25 K mart stores—including eight 1982 closings and 17 more to be phased out in 1983—net income for the quarter ended Jan. 26, 1983, was $165.2 million, a 44% gain. The write-off provisions also included the cost of closing 66 Kresge and Jupiter stores in 1982.

For the full year, K mart's net income rose 29.8% to $285.8 million, prior to a $44.5 million provision for store closings. Including this write-off, net income rose 19% to $261.8 million.

The company's healthier bottom line was achieved without a parallel sales growth. In fact, for the fourth quarter, sales slipped 0.2% to $5.14 billion from $5.15 billion. For the year, sales were $16.77 billion, a 1.5%

(Continued on page 48)

1983 Sales Off to Encouraging Start After a Big 1982

Nationwide DSN Report

Major discounters appear to be on the rebound from a sluggish economy and changing consumer moods, with many reporting record sales and profits at the end of their fiscal year.

And, early figures for the new year look encouraging.

There is some divergence of opinion among chain executives about whether the improved performances resulted from an upturned economy or the retailers' adaptation to changing times. Some agree that it is a combination of the two.

The activities of the chains during the past year tell the story—in bottom-line terms.

K mart, which realized an 18.9% jump in net earnings, had instituted numerous changes to improve the picture. (See story this page.)

Some of the most impressive gains were posted by smaller chains. Dollar General showed an 18.2% boost in sales and a 56.9% hike in net profits. Duckwall-ALCO realized a 53.6% net profit increase on an 8.6% gain in sales.

William P. Arnold, chairman of Associated Dry Goods, owner of Caldor, said his firm's record sales and earnings were gratifying in view of the tough times.

"We are encouraged by the first early signs we've seen of an improvement in consumer confidence and spending levels," he said.

ADG's net earnings rose 31.2% for the year. Its sales increased 16%, with Caldor contributing nearly a third of the year's $3.1 billion volume.

Wal-Mart joined the record-breaking crowd with a solid 38.1% increase in sales and a 49.8% hike in net earnings.

Chairman Sam Walton said he expects a "challenging" economic environment this year and ascribed the firm's showing to a strong marketing strategy

(Continued on page 48)

Most Chains Show Double-Digit Earnings Gains For '82

Company	Annual Sales (millions)* 1982	1981	% Change	Annual Earnings (loss) (millions)* 1982	1981	% Change
K mart	$16,986	$16,723	+ 1.6	$261.8[a]	$220.3	+18.9
Federated[f]	7,700	7,070	+ 8.9	(232.8)	258.3	(−10.9)
Dayton Hudson	5,660	4,940	+14.6	198.4	159.5	+24.4
Target	2,410	2,050	+17.6	150.0[b]	108.7[c]	+38.0
Mervyn's	1,336	1,062	+25.8	151.9[b]	119.6[c]	+27.0
F. W. Woolworth	5,124	5,075	+ 1.0	(353.0)[d]	82.0	—
Wal-Mart	3,376	2,444	+38.1	124.1	82.8	+49.9
ADG	3,188	2,751	+15.8	78.4	69.8	+12.3
Caldor[e]	925	779	+18.7	NA	41.5	NA
Stop & Shop[g]	2,340	2,170	+ 7.8	34.8	24.5	+42.0
Zayre	2,139	1,790	+19.5	35.2	22.1	+59.3
SCOA[h]	1,155	1,057	+ 9.2	36.1	32.1	+12.4
Toys "R" Us	1,042	783	+32.8	64.2	48.9	+31.3
Pay Less	784	759	+ 3.4	19.4	16.7	+16.3
Venture	680	612	+11.1	30.0[c]	17.0[c]	+76.5
Dollar General	290	245	+18.2	11.3	7.2	+57.2
Duckwall-ALCO	216	199	+ 8.6	4.3	2.8	+55.4

**All figures have been rounded. [a]After provision for closing 25 stores. [b]Chain estimate. [c]Operating earnings. [d]Includes $398 million charge for discontinued Woolco operations. [e]Caldor was acquired by Associated Dry Goods in May 1982. [f]Parent of Gold Circle. [g]Parent of Bradlees. [h]Parent of Hills.*

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Turning Point For K mart

(Continued from page 3)

increase over the $16.53 billion in 1981.

Fauber attributed earnings gains to "improvements in merchandising, store operations and systems development." He noted a gain in gross profit margins for the fourth quarter, from 23% to 26% of sales, and for the year, from 25.2% to 26.7%.

"The closing of 25 K mart stores, in which 1982 operating losses were approximately $10 million, will also provide future benefits," said Fauber.

Fred W. Wintzer Jr., of Lehman Brothers Kuhn Loeb agreed that K mart's recent announcement about more store closings was one of several positive moves the discount store giant has been making.

"They're on their way,"said Wintzer. "Their good fourth-quarter earnings came with no sales growth, but now K mart's sales are picking up too."

Wintzer added K mart has completed a two-year study of all aspects of its operation with some fruits of that study being such positive moves as cutting out, or back, nonproductive areas like yard goods, major appliances and auto service centers, and building up potential volume areas like the new home centers.

New Moves

"Now, they're paring back the unproductive stores," said Wintzer. "They're figuring that the remainder of their units will be viable with the whole spate of changes being made under their banner, 'the new look of the 80's'. The whole package will take about eight years."

Another Wall Street analyst concurred. "K mart," he said, "has finally taken the bull by the horns and started weeding out nonproductive stores; this is the first time K mart has done this. They've realized the discount store industry has matured; that future growth must come, not from discount store unit expansion, but by greater productivity in existing stores and building future volume with the new offshoots, like Designer Depot, their off-price apparel launch."

This same analyst, noting K mart's fourth-quarter earnings and its store-closing plan; just raised his per-share earnings estimate for K mart for 1983 and is considering an upward adjustment for 1984.

Commenting on K mart's strategy of de-emphasizing new-store expansion, Fauber said the chain plans to open about 75 new K mart stores in 1983, compared to 70 in 1982 and 171 in 1981.

He said the reduced store-opening program "represents the company's objective to devote more management and financial resources to existing facilities. . . ."

Jeans, Activewear and Fleece

(Continued from page 9)

Wrangler with coordinates. The Lee patch has become a status symbol, but this isn't trendy like designer jeans."

Ron Kohl, buyer for Murphy's Mart predicted: "As much as 80% to 85% of our boys' jeans business this fall will be with Lee and Wrangler. This is a shift from 1982 when the majority of our sales were with imports. And, it's a big change in price. Our imports were at $7; the brands are double that. But, Lee and Wrangler are 'in,' and they represent quality."

With or without a branded label, the three operative words for back-to-school volume selling are jeans, activewear and fleece.

Robert Moore, senior buyer for K mart, was one of several buyers highly enthusiastic about the prospects for fleece sportswear.

Noting the extension of fall's new softened, or "foggy" color palette into fleece—plus the addition of fashion styling like grommets, zippers and color blocking, and fabric "twinning," using woven collars, cuffs, yokes, etc., with fleece—K mart, Fishers Big Wheel, ShopKo, and Heck's are among the chains planning to treat fleece as both a basic and a fashion category for fall.

Moore of K mart said: "Fleece looks very strong for fall with many new fashion looks salable to our customers. We're going to go after it two ways, as a basic and a fashion look. We did this to some degree last year, but we will expand our fashion presentation. We also like the layered look for fleece; we'll be doing more with coordinates."

"Fleece basics will be our bread and butter," said Kohl of Murphy's Mart, "but the big growth will be in the fashion area. We're moving into color coordinate groupings, planned to mix-and-match, of two or three colors with price points from $7 to $14."

At Fishers Big Wheel, Pallini called the updated fleece "with fabric inserts, striping, and new colors very, very important for fall."

"The boys' look for fall," said Pallini, "is the rugged, 'survival' look. Fleece and activewear are both part of this look, which is going to explode this year. For fall, 50% of boys' wear will be in this type of merchandise. Heavily pocketed cut 'n' sewn shirts and Swiss army-type shirts are also in this survival look; so are the outerwear jackets with heavy brass zippers, grommets and extra Velcro closings."

Pallini believes the zipoffs in jackets will be promotional items; the "Members Only" look has run its course with the rugged look taking over for fall.

For outerwear, Heck's buyers were most enthusiastic about the chintz finished shell and chintz with corduroy in both "Members Only" and survival-type styling. They agreed the zipoffs would be the price-footballed outerwear this fall.

Venture Charts Expansion With Care

(Continued from page 3)

er service and upgraded merchandise.

All three of the Oklahoma City stores will be in shopping centers. Two, located at the French Market and South Shield centers, will be converted Woolco locations. The third, at Midwest City, will be newly constructed.

The Springfield store will be freestanding.

The locations of the remaining stores weren't disclosed, in part because of continuing real estate negotiations, Seeherman said. However, he acknowledged that Venture is still considering entry into other new markets.

"We do know that we're going to stay within a 500-mile radius of our current trading," he said. "We have no major concerns about moving into new or old markets—we're going to try to do both."

But, Seeherman conceded that there are some concerns he'll be tracking closely.

"Remoteness is always a problem when a store is 400 miles away from its home base," he said. "We're just going to make sure that every step we take is a firm one."

Seeherman said that Venture would continue its present upscale strategy, partly through a greater emphasis on soft lines. Apparel will take up the entire infield of the stores' race track design.

That floor plan, and a store featuring a lower-slung portico, were unveiled late last year with the opening of the Forest Park, Ill., store.

The chain has also been steadily upgrading its assortments, and casting itself as a quality discounter in a search for new customers. Recently some of the store's ads have knocked heads with area department stores, making direct comparisons of price and merchandise on selected items.

Venture's 47 stores are currently located in the Chicago area, St. Louis, Kansas City and five smaller midwestern cities.

Record '82 Sales, Profits

(Continued from page 3)

combined with rigorous expense controls.

"We are heartened by the early sales results [this year] and believe our opportunities never to have been better," he said.

Target posted a 38% operating profit surge for fiscal 1982, a substantial contribution to the 24% net earnings increase for its parent, Dayton Hudson.

"Christmas sales weren't quite as strong as we hoped," chairman William Andres said, "but January sales were exceptionally good."

Andres also credited a slowing of inflation for strong fourth-quarter numbers.

Other discounters reported strong fourth quarters, as well, lending credence to predictions of better times ahead.

"The current economic climate has forced discounters to be smarter, not necessarily bigger," commented one retail observer.

Luria Is Contender For Award in Fla.

MIAMI LAKES, Fla.—L. Luria & Son is one of the 15 finalists being considered for the Company of the Year in Florida award, presented by the *Miami Herald*.

The award recipient will be announced next month.

Judges are the deans of three south Florida business schools.

BACK-TO-SCHOOL

PRODUCT MOVEMENT AUDIT

Filler Paper Cost Drops; Push Eyed

By M. Raymond Prendergast
president,
Boston Distributors

The year 1982 was a banner one for the stationery, school supply, home-office products department at Boston Distributors as sales exceeded $10 million for the first time. Real growth surpassed 9% as many of our customers achieved sales increases in excess of 25%.

The school supply category remained the largest segment of the business despite significant gains made in the home-office area. The 1982 back-to-school season saw a continuation of the trend away from filler paper and into wirebound theme books. This trend was forced by retailers who increased the emphasis placed on theme books by advertising more wirebounds at sharper retails while not really de-emphasizing filler.

Key Changes

In 1983 we expect the trend to be reversed as paper prices are falling drastically due to a glut of pulp on the market caused by 1982's low housing starts. Filler paper in the 200-count package will continue to be our leading item and will probably increase its gain over 70-count theme books, No. 3 on 1982's PMA.

We expect 200-count five-subject books to repeat as the No. 1 growth item in 1983 as the pricing of this sku will fall more than it will on lower counts due to its high paper content.

Fashion theme books and portfolios enjoyed a 17% increase during last back-to-school season with Smurf, Garfield, and Pac-Man experiencing strong sales in addition to our leading fashion license, Critter Sitter. In 1983 we expect Smurf, Critter, and Garfield to stay healthy where Pac-Man will go the way of other bygone stars. Newcomers that will make some impact are Care-Bears, McDonalds, and the new Star Wars books, but none of these will have the impact of a Smurf or a Critter Sitter.

The most significant growth at back-to-school came from the writing instrument category with erasable pens leading the way. One dollar rebate offers from both Scripto and Papermate afforded consumers a means to attain the hottest pens on the market without paying a dime. Although the rebates won't be available in 1983, we expect erasables to continue their rise as Bic introduces its

(Continued on page 30)

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
SCHOOL PAPER AND NOTEBOOKS					
1	1	Filler Paper Wide 200 Ct.	650,280	0.99	643,778
2	2	Filler Paper Narrow 200 Ct.	406,920	0.99	402,851
3	3	Spiral Notebook 70 Ct. Wide	473,664	0.79	374,195
4	7	Theme 5 Subject 200 Ct.	81,408	1.99	162,002
5	5	Theme 3 Subject 120 Ct. Wide	97,848	1.19	116,440
6	11	Mead Varsity Notebook 100 Ct.	70,080	1.49	104,420
7	4	Trapper Keeper Binder	15,228	4.97	75,684
8	6	Data Center Binder	10,356	4.97	51,470
9	17	EL Report Cover 3 Hole 2 Pocket	125,475	0.39	48,936
10	—	Pac-Man Portfolio	66,528	0.69	45,905
11	29	Stuart Hall Spiral Notebook 40 Ct.	90,912	0.49	44,547
12	18	Critter Sitter Portfolio	89,712	0.49	43,959
13	13	Spiral Notebook 100 Ct.	34,884	1.19	41,512
14	8	Organizer Binder	8,148	4.97	40,495
15	35	EL Report Cover 2 Pockets	124,250	0.29	36,033
WRITING INSTRUMENTS AND ACCESSORIES					
1	1	Empire Pencils 10 Pack	293,880	0.79	232,166
2	3	Scripto 3 Pack Erasable Blue	129,648	1.49	193,176
3	—	Scripto 3 Pack Erasable Black	71,964	1.49	107,227
4	—	Bic Biro 10 Pack Pens Display	97,476	0.99	96,502
5	2	Papermate Erasable Pen	68,640	1.39	95,410
6	—	Papermate 2 Disposable 3 Pack Blue	62,040	1.49	92,440
7	4	NFL 14 Ct. Pencil Display	40,464	1.69	68,385
8	—	Papermate 10 Pack Pens Display	59,472	1.09	64,825
9	12	Scripto Refillable Erasable Pen	36,336	1.39	50,508
10	19	Crayola Markers	23,256	1.99	46,280
11	—	Reliance 10 Pack Pencil	46,128	0.79	36,442
12	14	Carter Marks-A-Lot Black	53,868	0.59	31,783
13	6	Bic 3 Pack School Special	50,269	0.59	29,659
14	10	Bic Four Color Pens	14,136	1.69	23,890
15	9	Parker Jotter Ball Pen	7,644	2.99	22,856

(Continued on page 30)

Smurfette (bottom row) joins other puzzle favorites including Linus (of Peanuts fame) and Minnie Mouse on endcap at Zayre, Miami. *(DSN photo)*

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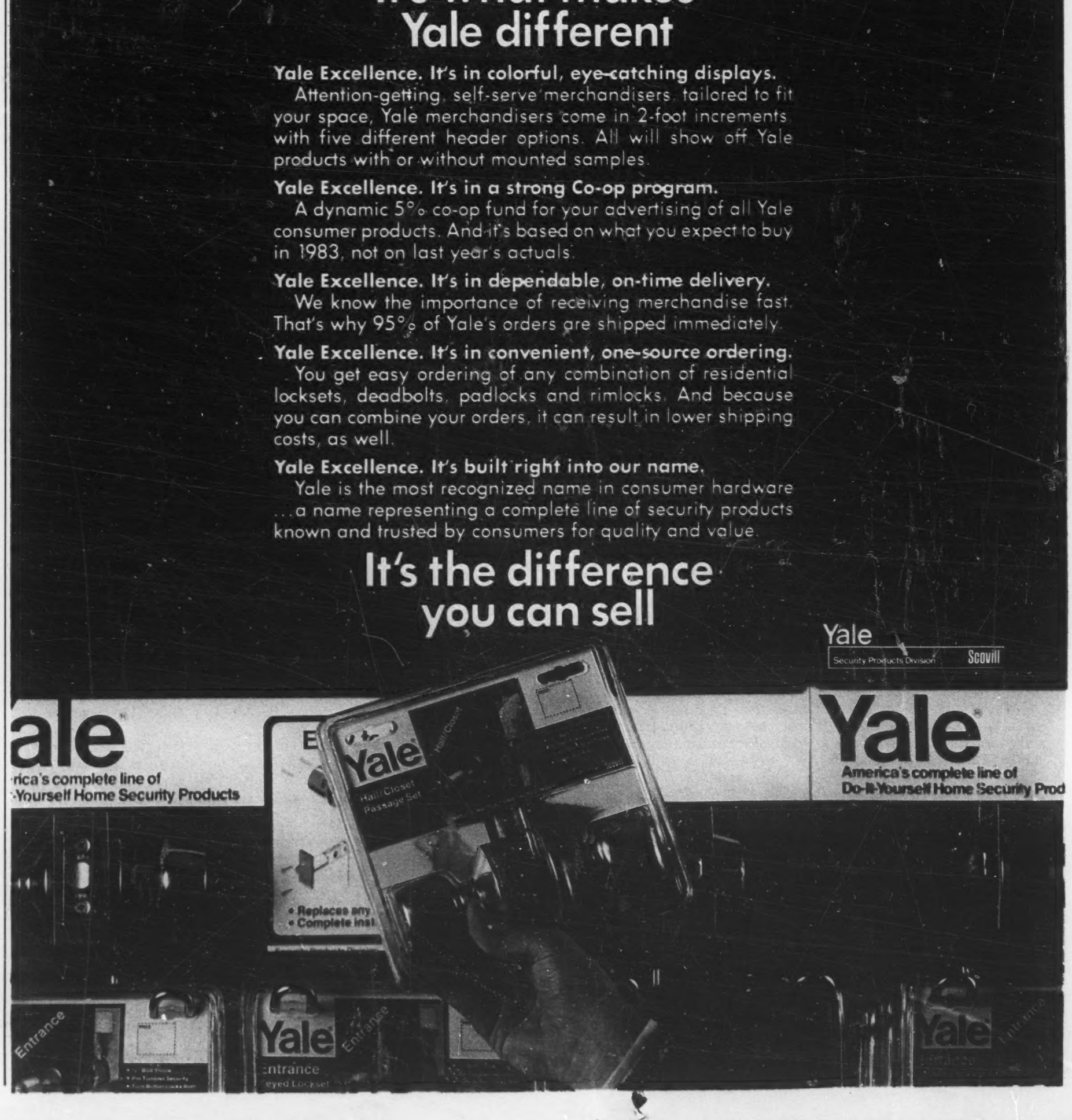

BACK-TO-SCHOOL

MISCELLANEOUS SCHOOL SUPPLIES

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	4	Binney & Smith Crayola Crayons 24's	58,440	0.99	57,856
2	1	Binney & Smith Crayola Crayons 64's	25,518	2.16	55,119
3	3	Binney & Smith Crayola Crayons 48's	19,872	1.88	37,360
4	—	Muppets/Smurf/Snoopy Tote Bg Dsply	9,360	3.98	37,253
5	10	AHL Scissors Pointed 4½"	43,392	0.79	34,280
6	25	Spindex Combo Pocket Size Display	17,136	1.99	34,101
7	1/	AHL Scissors Blunt 4"	42,732	0.79	33,759
8	—	Alco School Bag Bus Display	7,536	3.97	29,918
9	9	Swingline Cub Stapler BC	7,896	3.75	29,610
10	11	Poster Board White	110,800	0.25	27,700
11	26	Swingline Tot Stapler w/1M Staples	14,880	1.77	26,338
12	12	Hunt Bulldog Sharpener Assorted	6,876	3.09	21,247
13	23	Swingline Cub Staples Box 1 M BC	18,420	0.97	17,868
14	8	Binney & Smith Crayola Crayons 16's	19,752	0.79	15,605
15	64	School Box	33,630	0.49	16,479

TAPES AND ADHESIVES

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	Scotch Magic Tape ½ x 450 N	97,440	0.79	76,978
2	20	Scotch Magic Tape ¾ x 300	80,688	0.79	63,744
3	1	Borden Elmers School Glue 4 oz.	85,332	0.69	58,880
4	5	Borden Elmers School Glue 1¼ oz.	130,752	0.39	50,994
5	6	Scotch Utility Tape ½ x 800	71,448	0.49	35,010
6	11	White Paste 5 oz.	48,528	0.59	28,632
7	9	Krazy Glue 200 BX	18,590	1.27	23,610
8	14	Scotch Transparent Tape ½ x 1100	24,144	0.96	23,179
9	8	PK Seal Tape 1½ x 100	8,088	2.76	22,323
10	10	Borden Elmers Glue 4 oz.	30,672	0.69	21,164
11	13	Scotch Magic ½ x 800	17,208	1.19	20,478
12	15	Refillable Dispenser	14,544	1.39	20,217
13	30	Pentel Roll & Glue	20,904	0.88	18,396
14	17	PKG Seal Tape 1½ x 400"	11,580	1.55	17,950
15	32	Krazy Glue Pen	7,608	1.83	13,923

PLAYING CARDS AND ACCESSORIES

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Trumph Bridge Cards Promotion	97,488	0.49	47,770
2	3	Maverick Poker Carded	29,568	0.88	26,020
3	4	Bicycle Cards Poker	11,124	1.57	17,464
4	2	Bee Cards Poker	9,540	1.69	16,123
5	5	Maverick Pinochle Carded	13,920	0.88	12,250
6	7	Maverick Jumbo Carded	12,984	0.88	11,426
7	16	Hoyle Poker Cards Carded	6,528	1.54	10,054
8	12	Hoyle Jumbo Poker Carded	5,784	1.54	8,908
9	8	Delta Poker Cards	8,676	0.88	7,635
10	10	Bicycle Cards Pinochle	4,260	1.57	6,689
11	11	Poker Chip Carded 100 Ct.	3,156	1.99	6,281
12	15	Hoyle Jumbo Pinochle Carded	3,744	1.54	5,766
13	14	Hoyle Pinochle Carded	3,636	1.54	5,600
14	9	Bee Cards Pinochle	3,072	1.69	5,192
15	13	Hoyle Vegas Dice Carded	4,584	0.97	4,447

TYPING SUPPLIES

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Typing Paper 200 Ct.	88,716	1.49	132,187
2	2	Liquid Correction Fluid White	26,532	1.19	31,574
3	3	Erasable Typing Tablet 40 Ct.	24,000	0.89	21,360
4	6	Typing Paper Tablet 40 Ct.	20,640	0.79	16,306
5	4	Mead Add/Calculator Rolls	11,880	1.19	14,138
6	7	Eaton Typing Paper Corraseable 16 lb.	6,984	1.99	13,899
7	9	Liquid Paper Typewriter Rbbn Universal	6,882	1.99	13,696
8	8	Typing Tablet Corraseable	6,648	1.89	12,565
9	11	Carter Expert Correction Tape	9,192	1.19	10,939
10	15	Mead Carbon Paper Poly Wrap	8,988	0.99	8,899
11	13	Liquid Paper Calculator Ribbon #15	3,552	1.89	6,714
12	12	Onion Skin Paper 30 Ct.	5,064	1.09	5,520
13	18	Twin Spool Type Ribbon 04	2,568	1.99	5,111
14	5	Typing Paper 100 Ct.	3,996	1.24	4,956
15	19	Twin Spool Type Ribbon 01	1,968	1.99	3,917

(Continued on page 31)

PMA® PRODUCT MOVEMENT AUDIT

Filler Paper

(Continued from page 29)

erasables to the public.

Bic outscored Papermate in the important multipack pen segment at Boston with its new Biro, an item very similar to Papermate's Write Brothers. In both the erasable and the stick pen categories, the retailer has several good alternatives available with only marginal differentiation of quality. Price should be a key determinant of the final selection. Our writing instrument PMA was again led by 10-pack pencils, which don't seem to care about erasable pens. We expect the pencil category to experience intensified competition in 1983 as prices should decline.

The big per cent gainer in writing instruments last year was Binney & Smith's Crayola Marker, priced way above competitive products. Binney & Smith's packaging and the Crayola name made this sku, one of the big success stories in our department. We recommend merchandising the markets with the other Crayola products, including art kits, etc., in both the stationery and toy departments.

Promising Area

The hottest new development in the school supply categories is the phenomenal rise of stickers. Always a basic of the department, stickers have taken the category by storm. We suggest merchandising stickers at register tips to take full advantage of the impulse nature of the profitable product.

One of the prime ingredients in the success of the school supply category has been the decision on the part of many retailers to promote the category on a year-round basis. Pencils, pens, theme books and filler paper can be promoted successfully through March and crayons,

(Continued on page 31)

Gee Bee Plans Store No. 23

POTTSVILLE, Pa.—Gee Bee, the Pennsylvania-based discounter, recently announced plans to open its 23rd store in the Fairlane Village Mall here.

The store, scheduled to open this summer, will occupy the 80,000-sq.-ft. site of a former Woolco. The store will be completely remodeled and refixtured, a company spokesman said.

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BACK-TO-SCHOOL

PRODUCT MOVEMENT AUDIT

Filler Paper

(Continued from page 30)

markers and glue can yield strong ad results throughout the year.

Much of the success of the home-office, stationery, and school supply department must be attributed to the increased sophistication which manufacturers have developed in the marketing of their products. While we see that significant progress has been made in this area, much improvement is still needed. Continued efforts in the improvement of packaging, improved trade allowances made available on a more frequent basis, more comprehensive co-op programs, and increased consumer advertising, especially in the home-office area, are just some of the strategies which could yield positive results.

Reflecting the general boom in licensed products, waste paper baskets show a wide range of trade-marked names at Murphy's Mart, Charleston, W. Va. *(DSN photo)*

1982 Rank	1981 Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
STATIONERY AND NOTES					
1	1	Envelope 6¾" 100 Ct.	207,384	0.79	163,834
2	2	Envelope Legal 50 Ct.	160,104	0.79	126,483
3	7	Envelope Press Seal 40 Ct. 6¾"	11,256	2.77	31,180
4	3	Tablet Ruled 100 Ct.	36,444	0.79	28,791
5	5	Envelope Security 80 Ct.	31,032	0.89	27,618
6	6	Envelope Security 40 Ct.	25,992	0.89	23,133
7	4	Tablet Plain 100 Ct.	23,472	0.79	18,543
8	10	Palette Letters Tablet	9,732	1.14	11,095
9	22	Notes—Thank You Silver	5,748	1.59	9,140
10	9	Notes—Dec Assorted	8,928	0.97	8,661
FILES AND DESK ACCESSORIES					
1	1	Ballonoff Cabinet 2 Drawer 182WB	1,122	39.88	44,746
2	7	Tuf-file #10002	1,364	22.98	31,345
3	3	Ballonoff Security Chest #1385	1,280	17.96	22,989
4	5	Rockaway Cash Box H260	1,541	9.87	15,210
5	19	Memo Holder 4 x 6 Smoke	4,620	2.76	12,752
6	14	Rockaway Security Chest H300	886	12.79	11,332
7	8	Desk Tray (Without Cut Out)	4,422	2.56	11,320
8	—	Essletate 2 Drawer File Cabinet 14"	274	36.44	9,985
9	4	Ballonoff Porta File	1,605	5.99	9,614
10	11	Ballonoff Security Chest #1383	599	15.96	9,561

Source: Stationery figures, for calendar 1982, were supplied by Boston Distributors, a division of Cook United, Maple Heights, Ohio. The figures cover 600 stores, including 360 discount stores in 18 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

Hardware

(Continued from page 13)

A buyer for Prange Way said he just dropped the two sku's of Atari's home computers, opting instead to add a big-ticket Commodore.

He said the Atari machines were "too sophisticated" for Prange Way's market. His determination was based on low sales of the machines since October.

The chain will carry three sku's, with price points of $99, $150 and $400.

He said margins on the machines were a slim 5%, but that with the competitive back-to-school market, he "has to carry it." The "real" money, he said, comes from the sale of software.

But, not everyone is busy adding and trading for back-to-school. Some buyers, like Lou Bernucca at Lechmere, said that with all the names in the market, it was difficult to develop a competitive game plan.

He said he will stick with four sku's with pricing between $99 and $399. Margins, he said, were about 10%.

Promotions Upped

He said the machines will be promoted heavily in the fall through rop advertising only.

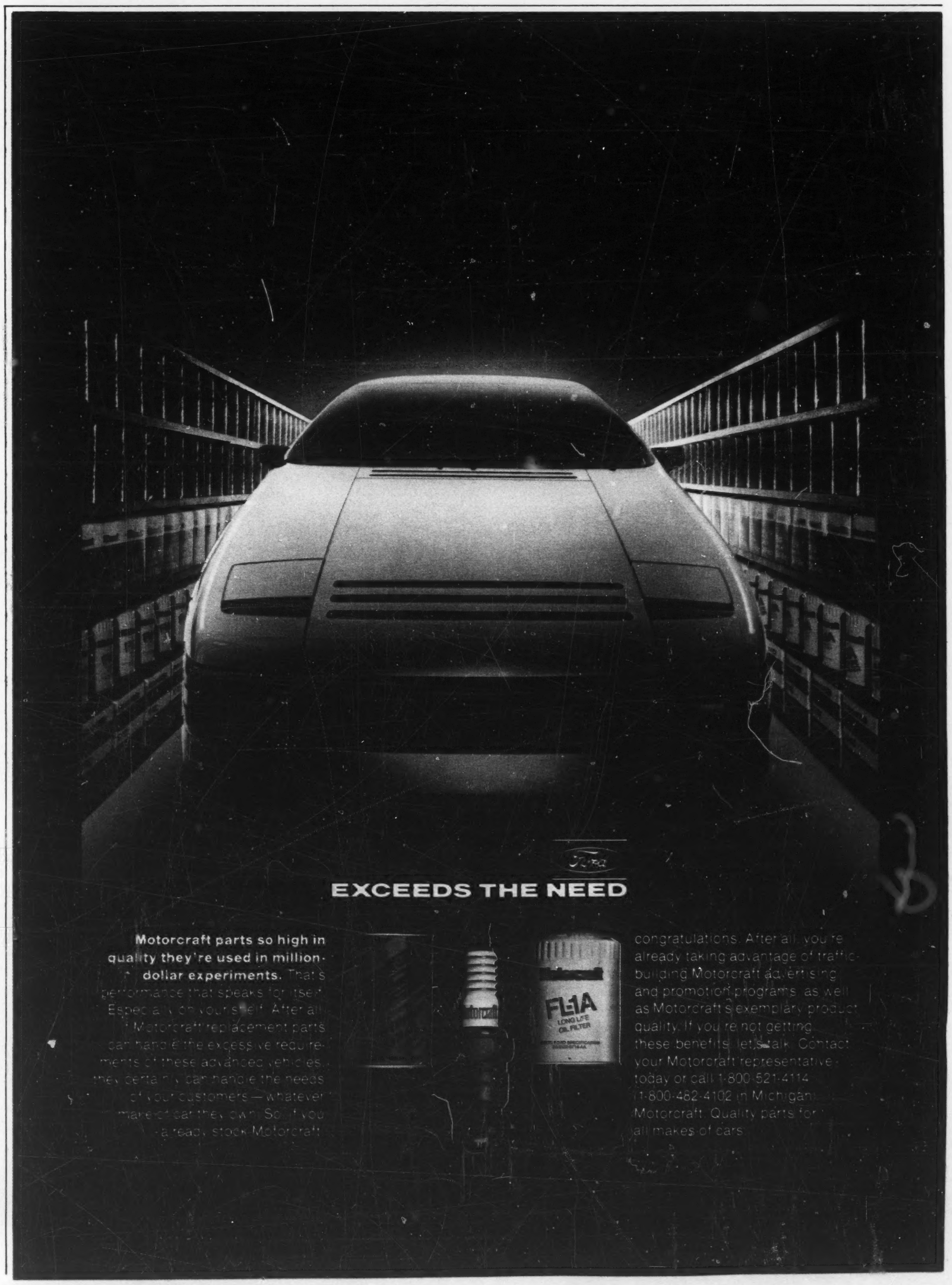
"The industry looks like scrambled eggs. With rop ads I can change a price, add software and announce new rebate programs quicker," he said. "I won't be locked into the early deadlines of the circulars."

Some buyers aren't taking the plunge into hardware at all.

Paul Johnston, consumer electronics buyer at Bradlees, said, "As of this moment we are not in or out of the market."

He said the company has formed discussion groups that are meeting regularly to formulate a plan of action.

"We are taking a wait-and-see approach," he said, adding the company would probably wait until the smoke cleared and some of the smaller manufacturers bowed out of the market.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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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The new shops lining the back wall of Bradlees, East Hanover, N.J., are announced by rear-lighted graphics mounted on the endcaps. The merchandise display contains an assortment of items used in the particular room shown. *(DSN photo)*

White House Won't Ask For Pro-RPM Legislation

By KEN RANKIN

WASHINGTON—Top Reagan Administration officials effectively ruled out any White House-backed legislation this year to revive Fair Trade-style resale price fixing against the nation's discount chains.

The decision, handed down at an eleventh-hour White House cabinet council meeting late last month, scuttled a plan by Assistant Attorney General William Baxter to insert language in the Administration's new antitrust law "reform" bill declaring resale price maintenance (RPM) may no longer be considered automatically illegal by the courts.

But, the cabinet-level action was anything but a clear-cut victory for discount store industry efforts to squelch the Justice Department/Federal Trade Commission campaign to promote manufacturer pricing restraints against retailers.

Significantly, the White House didn't formally repudiate the pro-RPM policy of Justice antitrust chief Baxter, nor did the Administration direct the Department to withdraw its pending appeal to the Supreme Court for a new, far less stringent legal standard governing supplier resale price fixing violations.

Officials at the National Mass Retailing Institute reacted to the cabinet level decision on RPM with a mixture of relief and apprehension.

"Of course this is a positive

(Continued on page 68)

NMRI and AGMC Seek Anti-RPM Write-ins

WASHINGTON—The NMRI and AGMC have each launched a "grass-roots" write-in campaign to soften Congress and the White House for this week's resale price maintenance (RPM) protest rally in Washington.

"The time has now come to mount a full-scale offensive against the Government's refusal to enforce the laws banning resale price-fixing," introduced the National Mass Retailing Institute's call for action.

In addition to firing off letters to their Congressmen and the White House protest-

(Continued on page 68)

Home-Store Concept Marks New Bradlees

By BRENT FELGNER

EAST HANOVER, N.J.—Elegant ambience is the key.

At the newest Bradlees store here, it invades nearly all departments from the old snack bar to the now blurred distinctions between hard and soft products for the home.

Nearly all of the merchandising modifications unveiled with its most recent store opening—the 24th in New Jersey—will be built into new stores, eventually working their way throughout the now 107-store chain.

The chain has been steadily upgrading and reformatting its stores for the past several years, making it a leader in upscale discounter environments. While this latest reworking has brought some new lines and higher price points into the store, its mix continues to remain firmly rooted in discounting.

"It's really the continuation of the home-store concept that began last year with the New London, Conn., opening," said Harry Kohn, executive vp, merchandising and sales.

Traditional groupings of domestics and housewares have given way to new groupings based on customer logic, intead of buying functions, he said.

The result of the reorganization has been the sectioning of the new categories into shops, separated by tall fixtures and

(Continued on page 4)

Croissants Debut; Vive le Snack!

EAST HANOVER, N.J.—For some, the pièce de résistance of the new Bradlees is the new snack bar, no longer referred to by such a mundane title. Now it's called The Tulip.

The hotdogs, pretzels and popcorn were the only reminders of its old self.

Instead, new signs and boid colors dominated. The old stools were replaced by new ones with white wrought-iron backs curling down to bright green cushions.

There were major changes in the menu. Now offered are a variety of soups, salads—and eight kinds of croissants.

90 Macks Will Convert To Maxway Discounters

By STANLEY STEINREICH

MANCHESTER, Ga.—Macks Stores will convert its 90 variety-store units in North Carolina, South Carolina and Virginia to Maxway discount stores by the end of the decade.

The stores, now called Macks, will be renamed Maxway.

DSN learned of the plan at the recent opening of one such converted store here recently. The leased, 25,500-sq.-ft. store is considered the model for conversions to follow. The Manchester store became the eighth Maxway to open since 1980. The company said 29 other Macks will be converted by year's end at a cost of about $1 million.

"The areas we serve are ready for a discounter that offers branded apparel and quality hard goods at reduced prices," said vice president C. Wilson Sawyer. "The future of our company is in the soft goods area."

The Maxway plan, said Sawyer, is to have a mix of 50% soft goods and 50% hard lines. He said that currently the stores have a 45% and 55% mix, respectively.

"We would like to see the stores carrying 50% apparel and other soft items on top of that," said Sawyer. "The enticement is the high margins. But, I suspect it'll take another three years before we reach that mix."

In apparel, the stores already stock Calvin Klein jeans and fleece wear. Additionally, Levi's, Wrangler and Lee jeans are stocked. New Maxway arrivals are Jordache and Sasson jeans.

"Upgrading to major lines is a continuing process. As more lines open up to us you can be sure they'll be on the floor," said Sawyer.

MAXWAY

The chain had been considering the conversions since the late 1970's. He said they chose to wait until the start of this decade to take action because the business climate was right for high-quality discounters in rural markets.

But, sources within the company say the chain was prompted into the discount field by its Dutch parent company, Hema. They say that when Macks Stores was purchased by Hema in 1980, the foreign concern sought to increase profitability by converting the stores from a five-and-dime motif into a more

(Continued on page 68)

Digest

April 18, 1983

9th ANNUAL PMA

• **DSN's annual Product** Movement Audit, besides listing best-selling hard goods for 1982, forecasts merchandising trends for 1983 as follows:

Sporting Goods: The most successful mix will balance hard and soft goods, not going overboard on the latter (p. 11).

Housewares: Microwave cookware will gain (p. 15). The bakeware mix is expanding (p. 25). Growth categories include woodenware, cutlery, textiles (p. 31).

Electrics: The styler/dryer mix will increase as chains prune slow sellers in most other categories (p. 33).

Hardware: A lengthening season should help lawn & garden (p. 38).

Consumer Electronics: Telephones will be the hot line; video games will stay strong as personal computers grow (p. 42).

H&BA: Ethnic hair care will be the fastest-growing category; the overall shampoo area will be stronger (p. 49).

Automotive: Seat covers should stay hot with a lot of action at the high end (p. 54).

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Discount Store News®

9th Annual Product Movement Audit

The ninth annual Product Movement Audit is a detailed guide to the largest dollar-volume products in six major hard lines departments for calendar 1982.

Once again, the Product Movement Audit goes beyond compiling a record of sales. Distributors supplying the data also share their insights into new merchandising trends for 1983, including the specific classifications and items expected to generate significant volume this year and appear on future best-seller lists.

A sampler of the merchandise that distributors and their discount store customers are bullish about for 1983 includes: telephones in consumer electronics; big-ticket lawn and garden supplies; inversion exercise systems in sporting goods, and cutlery, as housewares buyers make a major effort to increase market share in a category traditionally "owned" by department stores.

The sales data on the following pages was provided by distributors from coast to coast. It offers discounters an opportunity to check their own 1982 best-sellers against those of other chains, in and out of their trading area.

Listed below are top items, based on dollar volume, which reflect orders from individual distributors.

HOUSEWARES

Top Sellers

Corning Crll 16-pc st, gld: 18,152 units/$596,112
Nordic Ware Mcr-G-Rund: 5,343 units/$269,233
Proctor-Slx 10-cp drp cffmkr: 10,631 units/$230,693

SPORTING GOODS

Top Sellers

Remingtn 12-ga auto-shtgn: 4,900 units/$1,955,100
Marlin center fire rifle: 2,460 units/$516,575
Winchester center fire rifle: 2,425 units/$509,226

HARDWARE

Top Sellers

Lucite 50C gal whte hs trm: 30,051 units/$438,771
12/2 NM Rmx w/grd: 11,503 units/$365,322
ST5 40 NSRT 40 gl gs htr 5Y: 1,745 units/$252,298

H&BA

Top Sellers

Listerine Antiseptic 32 oz: 155,712 units/$540,321
Scope Mouthwash 40 oz: 109,500 units/$474,135
Atra Cartridges 10's: 106,932 units/$436,283

CE

Top Sellers

Atr CX 2600 Vd Cmptr Sysm: 29,128 units/$4,699,808
Atari CX 2646 Pac-Man: 49,653 units/$1,517,554
ITT PC2554 Wall Phone T-Tone: 1,536 units/$82,836

AUTOMOTIVE

Top Sellers

Armor All protector: 236,718 units/$707,786
DuPont Rain Dance 14 oz: 97,588 units/$701,657
Gumout jet spray 13 oz: 267,470 units/$639,253

SPORTING GOODS

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Balanced Hard-Soft Mix Vital

By FRANK KATLIN
Executive Vice President, Maurice Sporting Goods

The sporting goods industry in 1982 was a year of marginal growth. With a depressed economy facing many retailers, the sporting goods category showed an increase only where promoted and merchandised using sound economic principles. Retailers who dropped advertising in the category and refused to maintain a necessary level of inventory lost sales and resulting profits. However, those retailers who remained strong in sporting goods and attempted to promote and attract the customer into their stores with new products had a resulting increase over the previous year.

The overall volume in the sporting goods category rose slightly, although in most cases profits remained flat. Many retailers geared their 1982 sporting goods category to soft lines to increase profits. However, they discovered that maintaining a balanced, competitive mix between soft lines and hard lines in sporting goods is a must in creating customer appeal.

The Background

The sporting goods customer still predominantly seeks general athletic, camping equipment, exercise and—most importantly—fishing and hunting equipment. The retailer who provided the important balance increased his market share in sporting goods in 1982. The emphasis for 1983 seems heading in the direction of fishing and camping as key consumer demand areas. The male customer is still the primary target of the sporting goods department.

A review of best-selling items in 1982 would lead off with package combinations in the fishing department. The Zebco 1545 and Daiwa MC238S were the leading packaged kits, according to our retailer survey. Both kits did exceptionally well on promotions throughout the year with very strong Christmas sales. Premounted combinations, both packaged and unpackaged, remain the lead item of most fishing tackle departments.

In the area of fishing rods, South Bend, Daiwa, and Fenwick were the leading sellers. The Kwik Stix Graphite Rod sold exceptionally well as the demand for graphite rods continued to grow, especially in the South.

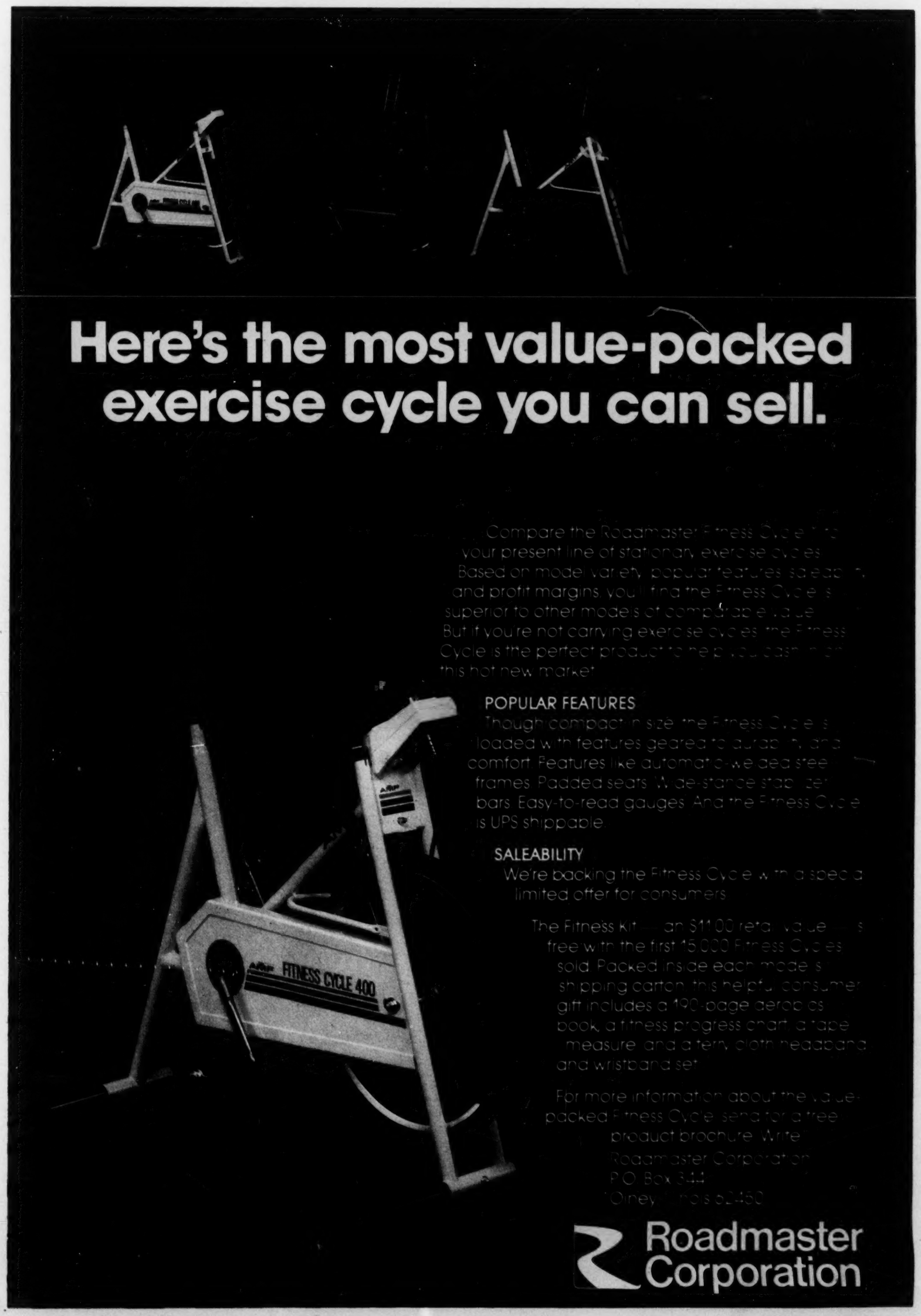
Camping sales increased in 1982 with the consumer travel

(Continued on page 12)

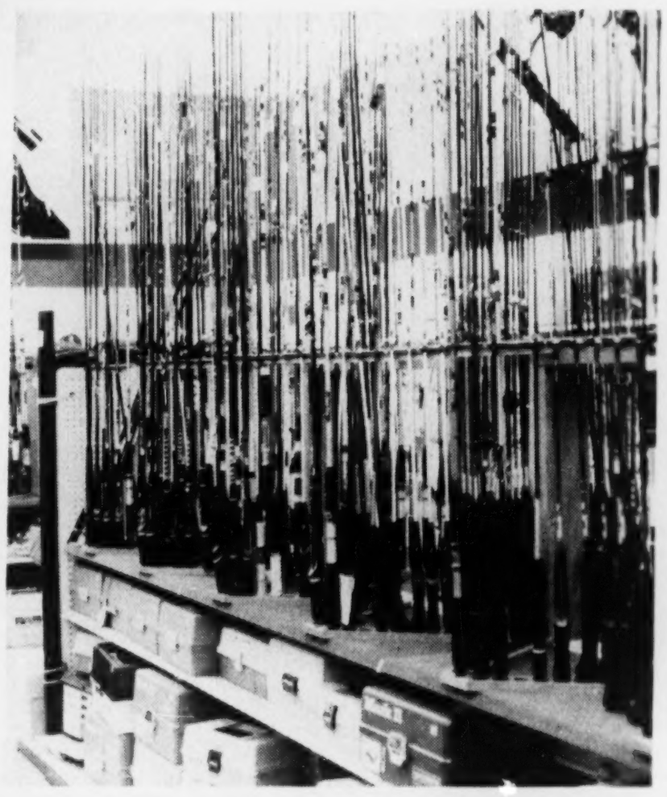
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	FISHING			
1	Zebco Poly S.C. Kit-1545	33,000	14.99	494,670
2	Daiwa ultra lights spincase kit-MC238	18,460	25.99	479,775
3	Zebco 202 w/superior rod-2-2/245	67,280	6.98	469,614
4	Kwik Stix graphite rod-1430	17,920	22.99	411,981
5	Zebco Poly S.C. kit-1245	37,480	10.99	411,905
6	Ryobi SX2 w/kwik-stix 1620-sx2/1620	14,300	26.98	385,841
7	So. Bend Poly S.C. kit-C130/0113	26,340	12.99	342,157
8	Mepps lure kits	18,340	12.99	238,237
9	Shimano casting reel-BM10SG	5,430	39.99	217,146
10	Fenwick Eagle graphite rod	4,800	37.99	183,000
	ATHLETIC GOODS			
1	Igloo playmate-2371	8,600	11.99	103,114
2	Gott tote 12 cooler	6,600	14.99	98,934
3	Bear Whitehall hunter bow-4510	780	119.99	93,592
4	World class camo rain suit	3,200	19.99	63,968
5	Camo hunting stool-FS6	4,240	13.99	59,318
6	EZ Mount gun rack-100	8,400	6.99	58,716
7	Outers gun cleaning kits	6,300	6.99	44,037
8	Tonka toaster	6,200	6.99	43,338
9	Penn tennis balls	14,200	2.79	39,618
10	Wilson tote bag	1,900	16.99	32,281
	FIREARMS			
1	Remington #1100 12ga auto-shotgun 5336	4,900	399.99	1,955,100
2	Marlin #336 Lever action center fire rifle 336-10	2,460	209.99	516,575
3	Winchester #94 lever action ctr. fire rifle G9412	2,425	209.99	509,226
4	Remington #870 12ga pump action shtgn 6934	1,480	315.99	467,665
5	Ruger #10/22 22cal auto carbine 10/22RB	3,200	109.00	351,968
6	Marlin #60 22cal rifle w/scope 60S	1,420	88.99	126,366

Source: Maurice Sporting Goods, for calendar 1982. Maurice distributes to 31,000 stores in 36 states, 72% of which are discount stores.

Caldor, Framingham, Mass., uses a combination of pegs and baskets to merchandise a wide assortment of backpacks for camping and hiking. *(DSN photo)*


Here's the most value-packed exercise cycle you can sell.
Compare the Roadmaster Fitness Cycle 400 to your present line of stationary exercise cycles. Based on model variety, popular features, sales appeal, and profit margins, you'll find the Fitness Cycle is superior to other models of comparable value. But if you're not carrying exercise cycles, the Fitness Cycle is the perfect product to help you cash in on this hot new market.
POPULAR FEATURES
Though compact in size, the Fitness Cycle is loaded with features geared to durability and comfort. Features like automatic-weld steel frames. Padded seats. Wide-stance stabilizer bars. Easy-to-read gauges. And the Fitness Cycle is UPS shippable.
SALEABILITY
We're backing the Fitness Cycle with a special limited offer for consumers.
The Fitness Kit — an $11.00 retail value — is free with the first 15,000 Fitness Cycles sold. Packed inside each model's shipping carton, this helpful consumer gift includes a 190-page aerobics book, a fitness progress chart, a tape measure, and a terry cloth headband and wristband set.
For more information about the value-packed Fitness Cycle, send for a free product brochure. Write:
Roadmaster Corporation
P.O. Box 344
Olney, Illinois 62450
FITNESS CYCLE 400
Roadmaster Corporation

SPORTING GOODS



Discount Stores Tackle Display Of Tackle

Van Leunen's, Fairfield, Ohio (left), and Venture, Chicago (right), stock an extensive assortment of fishing gear. At Venture the side of an entire gondola is used to display the tackle box selection with the other side of the gondola and the facing side used to display fishing rods. At Van Leunen's, however, two gondola sides are split in half with fishing rods displayed at eye level and tackle boxes shelved below. *(DSN photos)*

PMA PRODUCT MOVEMENT AUDIT

Hard-Soft

(Continued from page 11)

budget reduced due to the economy. Cooler sales remained strong with the Igloo Playmate and Gott Tote as the leading sellers.

Physical fitness, although reaching a peak in 1982, had several very strong items. The Diversified Product weight bench machine was a strong promotional item at Christmas. These were just a few of the leading sellers for 1982.

For 1983, several key items stand out as potentially strong sellers. The Plano 6303 tackle box should outsell all competition in the category and be a key promotional item. In fishing reels, the new Shimano BMP250-SG is the bait-casting reel outselling all competitors. In fishing rods, the South Bend Black Beauty series will be the leading rod series in the country, being sold individually as well as in combinations. In terminal tackle, the new South Bend program will be highlighted in most mass merchants' tackle departments. The program is profitable and packaged with the mass retailers' needs in mind.

In exercise, the inversion system looks as the leading seller for the 1983 season. Universal Trampoline manufactures the best-selling inversion system. A final top seller will be the Crosman pellet gun, which has become increasingly popular.

The above are a few previewed items which early trends indicate will be headed for the best-seller list in 1983.

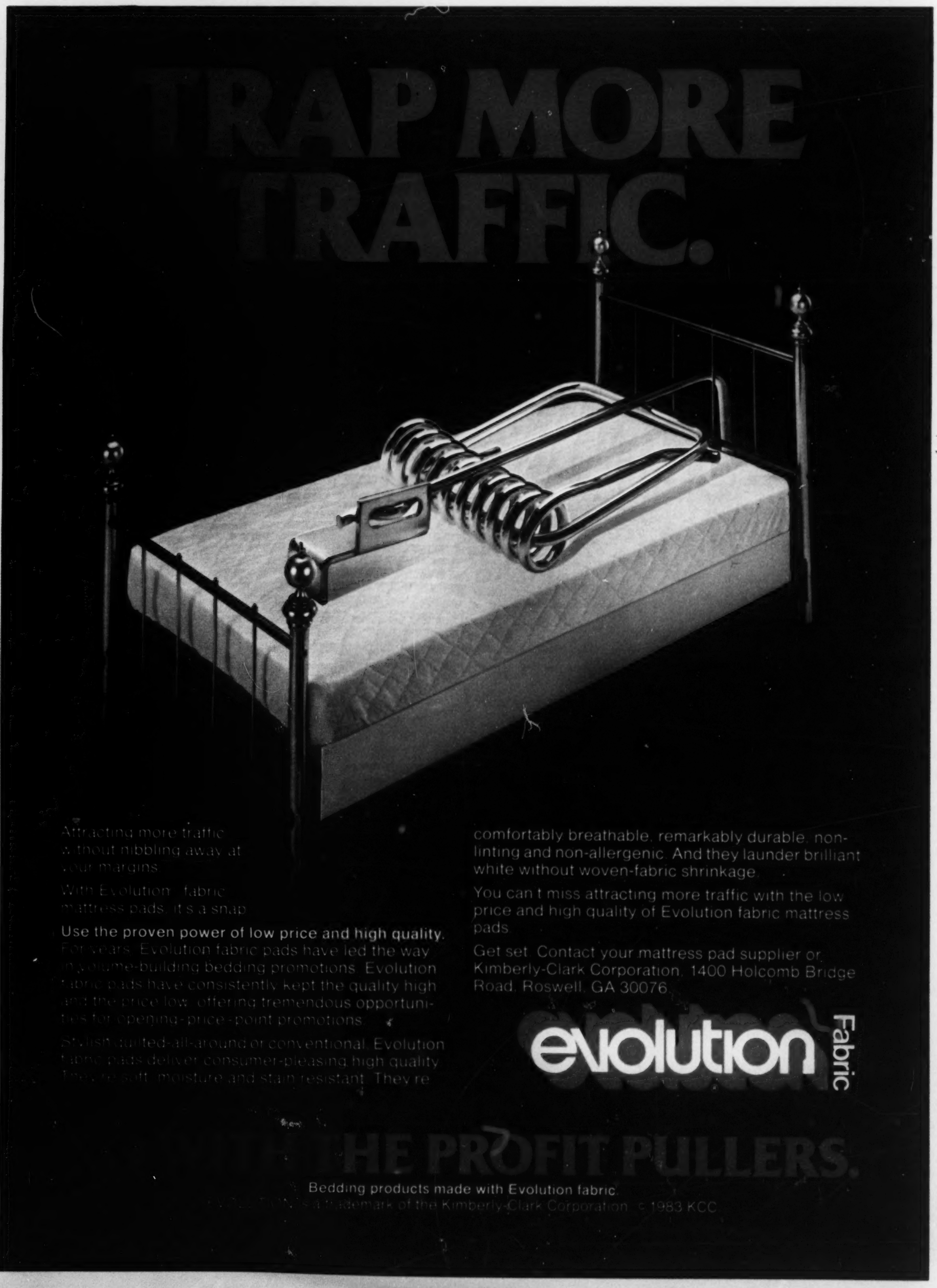
Bruce Dayton Leaving Board

MINNEAPOLIS—Bruce B. Dayton, the former chairman of Dayton Hudson during its national expansion, will retire from the company's board of directors during next month's annual meeting.

Paul N. Ylvisaker, former dean of Harvard University's Graduate School of Education, will also step down after completing the maximum period of service for an outside director.

Dayton joined the company in 1940, serving as president during 1965-69 and chairman during 1969-74. During that time the firm became publicly held and increased its revenues more than tenfold.

Nominated to replace them are Robert A. Burnett, president and ceo of Meredith Corp., owner of *Better Homes and Gardens* magazine, and E. Peter Gillette Jr., vice chairman of Northwest Bankcorporation and chairman of Northwestern National Bank of Minneapolis.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Discount Store News
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HOUSEWARES

9th Annual PMA

PMA®
PRODUCT MOVEMENT AUDIT

Microwave Cookware Gets Hotter

By HOWARD BOBROFF
President,
Stem-Nickman Distributing

Optimism for healthy sales in housewares is growing commensurate with the opening up of the economy.

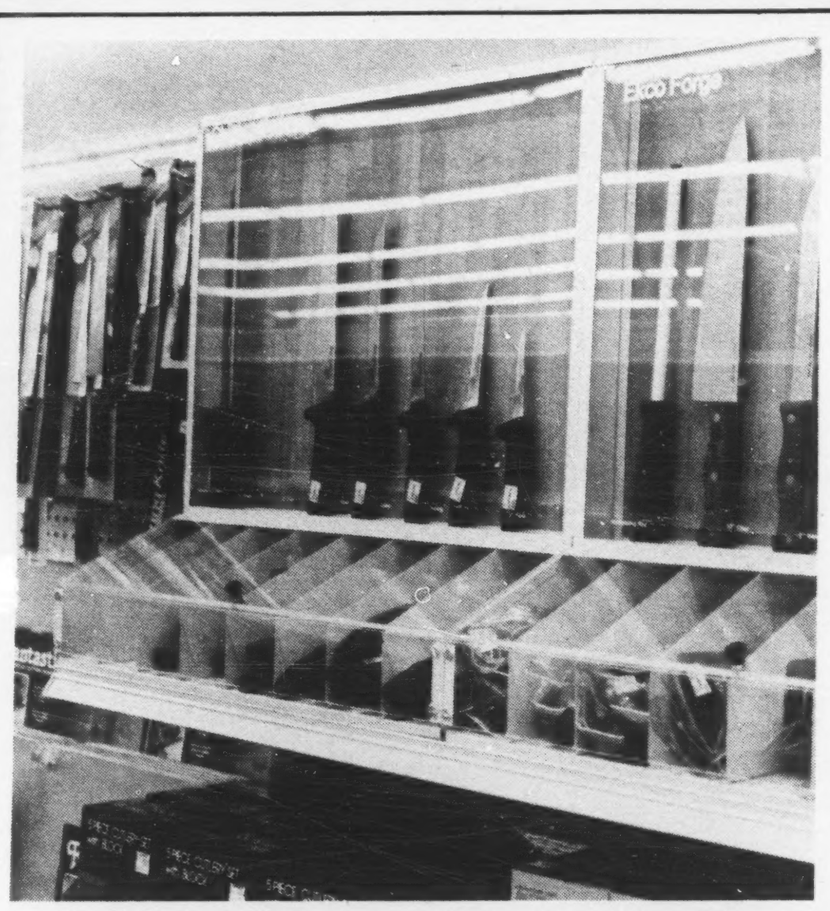
A significant part of the discounters' strategy for gaining their share of sales increases will be an ongoing careful review of inventory stocked—by manufacturer and product line. Constant adjustments will be made, not to pare down total inventories, but to pare down, and out, slow movers. The object of the weeding-out process will be to free space and dollars for a shift into heavier inventory levels of the best-selling product lines, items and fashion looks.

This kind of inventory maneuvering may smack of basic, we-do-it-all-the-time merchandising, but, in reality, it does represent a subtle shift away from assuming a major housewares manufacturers line will be stocked across-the-board.

Each manufacturer's line will be approached with greater selectivity; buyers will be more open-minded to new resources and products.

A growth area in the Midwest stores is microwave cookware.

(Continued on page 17)



Cutlery will be getting more attention from discounters in 1983. Target's new San Diego stores display the Chicago Cutlery and Ekco Forge lines in a showcase with stock in bins below. *(DSN photo)*

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		CORELLE DINNERWARE			
1	11	1604-N 16-pc set, Butterfly gold	8,260	25.40	209,804.00
2	7	16-1-N 16-pc set, Spring bl green	6,802	25.45	173,110.90
3	9	16-6-N 16-pc set, Woodland	5,898	25.38	149,691.24
4	—	16-NN 16-pc set, Winter Frost white	4,503	25.58	115,186.74
5	3	3216-32 16-pc set, Cinnamon	1,513	34.12	51,623.56
6	—	3216-34 16-pc set, Slate	1,364	33.63	45,871.32
7	12	16-5-N 16-pc set, Old Town blue	1,787	24.89	44,478.43
8	10	3216-33 16-pc set, almond	1,199	33.40	40,046.60
9	—	3255-32 Dimension 35-pc st, Cnmn	377	65.51	24,697.27
10	—	3216-31 16-pc set Citrus	637	35.67	22,721.79
11	—	35-6N 35-pc set Woodland	444	50.96	22,626.24
12	—	4020-71 Tradition 20-pc Harvest	515	38.77	19,966.55
13	—	3235-33 Dimension 35-pc set almond	277	65.27	18,079.79
14	—	4020-8 Tradition 20-pc set Spice	460	38.86	17,875.60
15	—	35-4N 35-pc set Butterfly gold	345	51.52	17,774.40
		GLASSWARE			
1	—	Anchor 992 candle stacks	117,474	1.72	202,055.28
2	—	Libbey 81227 crystal Chat-stem 24 pc	2,153	1.26	27,127.80
3	—	Libbey 82482 Chivalry 24-pc set	1,590	13.64	21,687.60
4	3	Anchor N3600/795 Westwood set gold	1,966	9.28	18,244.48
5	4	Anchor 3600/794 Westwood set crystal	1,810	9.28	16,796.80
6	—	Anchor 4512CV beverage 4-pk Wxfrd	3,192	5.25	16,758.00
7	—	Libbey 8472 Cit Grande 12-pc wine	1,376	11.84	16,291.84
8	—	Anchor 1500/8 26-pc punch set	2,002	8.13	16,276.26
9	—	Libbey 82430K Cnty grdn gld 24-pc st	30,434	0.53	16,130.02
10	8	Libbey 97012 milk bottle	999	15.99	15,974.01
11	9	Libbey 4-PK-8466 wine 6½-oz Citation	2,663	4.73	12,595.90
12	13	Libbey 4PK-8456 goblet 10-oz Citation	2,628	4.74	12,456.72
13	11	Libbey 4PK-8469 wine/round Citation	2,303	4.73	10,893.19
14	—	Anchor 4523 butter & cover Wexford	6,900	1.37	9,453.00
15	—	Anchor 4553E sugar & cover Wexford	7,571	1.24	9,388.04

(Continued on page 17)

Discounters Boost Network-TV Bucks

NEW YORK—Discounters' investments in network television advertising swelled 175% in 1982, according to the Television Bureau of Advertising (TvB).

Expenditures of over $32.4 million by discount chains reflected the largest hike in network ad spending of any retail group broken out in TvB's Advertisers Broadcast Advertisers Report.

Overall, monies placed in network ads increased by 11.4% last year, according to the report. Among retailers, auto supply and accessory stores showed the second greatest jump with a 143% increase.

K mart, Jordache Drop Mutual Suits

TROY, Mich.—K mart and Jordache have agreed to dismiss their mutual suits.

Jordache had contended K mart was selling counterfeit jeans, and K mart countered with an antitrust suit against Jordache.

The stipulation of dismissals was filed in Federal Court in Los Angeles. In it, each party "releases forever" any allegations formerly made in the litigation.

NOW OUR FLANNELETTE SHEETS ARE 60% COTTON. AND 100% PLEASURE.

Only Bibb has the Cotton Natural Blend Seal.

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HOUSEWARES

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Microwave

(Continued from page 15)

Strong sales results in this now staple category tend to bear out the industry's estimate that consumers spend 50% as much on microwave cookware as they do on the initial purchase of a microwave oven; i.e., if $400 is spent for an oven, $200 will be spent for microwave cookware.

The Product Movement Audit for calendar 1982 showed the strongest microwave lineup was from Corning, closely followed by Anchor Hocking.

Nine of the top 15 sellers in the microwave category were from Corning, but many of the strongest items listed in the Corning category—such as the French White merchandise—are also purchased from microwave oven use.

We're also bullish on two new entries suitable for the microwave oven for 1983 selling—from Rubbermaid and Wear-Ever.

(Continued on page 18)

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
COOKWARE					
1	—	Columbia 6605 juicer 18-qt	580	103.92	60,273.60
2	—	Foley 1702-79 SilverStone bake rack	1,629	31.07	50,613.03
3	—	Columbia 0707 canner 7 jar 22 qt	2,949	11.52	33,972.48
4	—	Columbia 0509 oval roaster 18 lb	4,002	7.81	31,255.62
5	—	Foley 297-79 pol 7-pc silver set	1,114	27.79	30,958.06
6	—	Foley 489-79 cook/biscuit/silver	4,890	6.02	29,437.80
7	12	Ekco 64330/M433 ck pn obl Bkr's Scrt	7,384	2.90	21,413.60
8	10	Wear-Ever 46030 10" saute pan	1,958	10.47	20,500.26
9	—	Foley 480-79 bread & loaf pan silver	5,838	3.46	20,199.48
10	—	Columbia 0506 oval roaster 7 lb	4,511	4.40	19,848.40
11	—	Columbia 0508 oval roaster 12 lb	2,540	7.70	19,558.00
12	7	Ekco 64110/M411 ck sht Bkr's Scrt	5,729	3.23	18,504.67
13	—	Foley 484-79 12-cup muffin silver	5,328	3.37	17,955.36
14	—	Wear-Ever 46014 square griddle	1,586	11.24	17,826.64
15	3	Wear-Ever 56027 Preferred 7-pc set	490	36.16	17,718.40
CORNING					
1	2	P-1420-8 Counter saver Spice	2,325	21.31	49,545.75
2	4	P-1420 Counter saver white	2,156	19.54	42,128.24
3	5	P-1420-7 Counter saver Wildflower	1,937	21.41	41,471.17
4	—	F 260 French white 3-pc set	1,284	17.37	22,303.08
5	14	A-300-8 Kitchen Starter set	706	31.42	22,182.52
6	1	F-330 Collection set 3-pc Frnch Whi	702	29.29	20,561.58
7	—	P-100-8 Menuette set Spice	851	22.55	19,190.05
8	—	A-300-7 Kitchen Starter set	580	31.01	17,985.80
9	—	A-300 Kitchen Starter set	638	27.68	17,659.84
10	10	P100 Menuette set Cornflower	961	17.61	16,923.21
11	—	F-2 Covered ov cssrl 2½-qt Frnch Whi	1,068	14.98	15,998.64
12	—	P100-7 Menuette set Wildflower	699	22.32	15,601.68
13	—	P104-8 Teapot Spice Of Life	966	14.97	14,461.02
14	—	P240 Grab-A-Meal 2 pc	1,314	11.00	14,454.00
15	8	P-140 Sidekick set 2 pc	1,940	6.79	13,172.60

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PYREX					
1	—	115 Hurricandle	22,891	6.22	143,382.02
2	—	2320F Oblong dish/basket	3,584	7.04	25,231.36
3	2	233 Utility dish 3 qt	5,742	4.24	24,346.08
4	—	6230F Covered casserole/basket	3,569	6.45	23,020.05
5	—	3260F 4-qt sv bowl w/basket	1,994	8.33	16,610.02
6	3	440-49-S Bowl set Atmn Hrvst 4 pc	1,053	14.03	14,773.59
7	—	2220F Square cke/basket	2,153	6.33	13,628.49
8	5	480-49-S Casserole Atmn Hrvst 3 pc	908	14.94	13,565.52
9	—	703 Oval casserole 3 qt	1,896	7.08	13,423.68
10	—	232 Utility dish 2 qt	2,963	4.53	13,422.39
11	—	704 Oval baking dish 4 qt	1,770	7.53	13,328.10
12	15	233F Utility dish	2,202	5.82	12,815.64
13	—	480-61-S Casserole set 3-pc Forest	829	15.18	12,584.22
14	—	300-61-S Mixing bowl set 3-pc Forest	1,399	8.76	12,255.24
15	—	702 Oval baking dish 2 qt	2,524	4.83	12,190.92
MICROWAVE					
1	8	Corning MW-A-10 Cvrd brwng skllt	2,341	17.75	41,552.75
2	1	Anchor PM469/T1 bacon rack	7,952	5.00	39,760.00
3	—	Corning MW-116 set	1,718	22.53	38,706.54
4	2	Corning MW2 browning grill	1,672	22.29	37,268.88
5	—	Corning MC-6 divided dish w/cover	2,547	13.62	34,690.14
6	—	Corning MW-11-S Little Sizzler white	2,521	12.80	32,268.80
7	4	Anchor PM481/T1 Versatility pan 1 qt	4,597	5.00	22,985.00
8	3	Anchor PM444/T1 baking sheet	4,011	4.98	19,974.78
9	5	Anchor PM447/T1 muffin pan	3,645	5.00	18,225.00
10	—	Corning MW-83-W cvrd Mnut brwnr	1,790	9.20	16,468.00
11	9	Anchor PM59/T1 bake ring	2,790	5.00	13,950.00
12	6	Anchor PM79/T1 roast rack	2,752	5.00	13,760.00
13	11	Corning MW 360 set	347	38.84	13,477.48
14	—	Corning MW12-S pizza crisper	578	22.25	12,860.50
15	—	Corning MR-1-BP-S grill ceramic rack	1,357	8.50	11,534.50

(Continued on page 18)

Relief For Chains: Appeals Court Kills Cash/Meal Option

WASHINGTON—K mart and other top industry chains sweating out those new Internal Revenue Service employee tip reporting requirements appear to be in for some relief from a different quarter.

Although the tax service still hasn't ruled on proposals from discount industry lobbyists to exempt in-store snack bars and lunch counters from the costly new tip reporting rules, a Federal appeals court in Atlanta struck down a separate Labor Department enforcement policy that threatened many of those same retail chain foodservice operations with megabuck back-pay judgments.

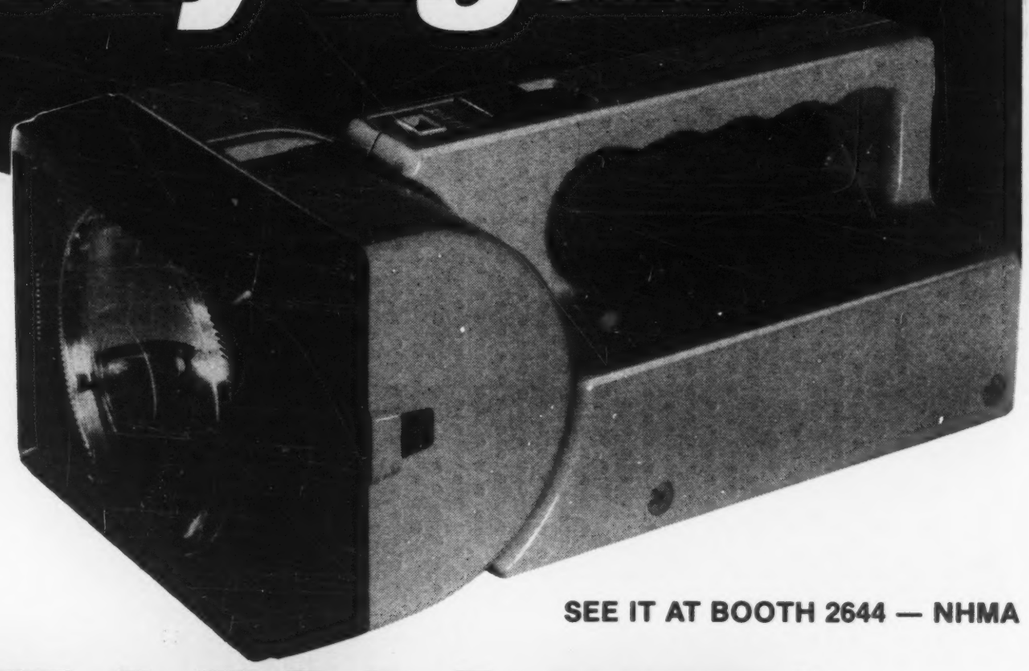
That ruling affects the legality of employer "meal credit" deductions to waitresses and other minimum wage workers who receive part of their wages in the form of company-provided meals.

Although the Fair Labor Standards Act allows employers to deduct a credit from employee wages covering the "reasonable cost" of furnishing meals to these workers, three years ago Labor Department wage-hour regulators issued a new no-warning interpretation of the law disallowing these meal deductions unless employees are given a "continuous" option to demand cash instead of meals.

Worse yet, Labor applied the interpretation retroactively, leaving many chains with in-store feeding facilities facing massive back-pay awards.

Late last month, however, the Federal Court of Appeals overturned those wage-hour regulations, ruling Congress never intended to give employees the option of demanding cash wages in lieu of meals.

First Alert lights the way again!



In the 1970's we built leadership in the smoke detector category. Now we're building again with

First Alert® READY-LITE™ RECHARGEABLE LIGHT from PITTWAY®

SEE IT AT BOOTH 2644 — NHMA

The most advanced and profitable product in a growing category—with powerful First Alert TV support!

FEATURE COMPARISON
First Alert READY-LITE vs. BRAND "X"

	First Alert	Brand "X"
Operating time (hours per full charge)	2.5-3	1-1.5
Brightness (lumens)		
ON	27	12
Burst	36	28
Adjustable beam direction for hands-free operation	Yes	No
Adjustable beam width	Yes	No
Unobtrusive mounting bracket	Yes	No
Finger grip handle	Yes	No
Retains operating time despite short-time usage	Yes	No

Just introduced last Fall, the First Alert® READY-LITE™ is already a success, and the reasons are obvious.

Comparison with the other brand shows that READY-LITE™ has more features. It offers customers more reasons to buy, and offers you more profit when you sell.

Not only does READY-LITE™ solve the problem with flashlights that fizzle out, fall apart or can't be found when needed; it's brighter and lasts longer per full charge than the competitive brand. And you can adjust the beam width and swivel the head up or down 45° for hands-free use in a variety of positions. Customers like these features!

With expanding network TV coverage this spring, featuring William Conrad commercials, plus radio, full-color action displays, topflight packaging and P.R., the First Alert READY-LITE™ program is rolling into high gear. Big sales and profits lie ahead, so get on the beam with First Alert!

Advertised on TV by First Alert spokesman William Conrad

First Alert® by PITTWAY®

780 McClure Road, Aurora, Il. 60504 • 312-851-7330

HOUSEWARES

9th Annual PMA

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
BATH SHOP					
1	1	Selfix 443 portable shower	3,846	6.86	26,383.56
2	—	Counselor 86N-95 promo scale brown	2,362	8.02	18,943.24
3	—	Counselor 86N-10 promo scale white	1,921	8.01	15,387.21
4	—	Counselor 410N-90 wick scale brown	942	12.91	12,161.22
5	—	Tamor 9978/144A tub hangers asst	110,442	0.11	12,148.62
6	4	Selfix C441 shampoo spray	7,524	1.57	11,812.68
7	—	Counselor 997N-95 crvn ov scl br	832	13.85	11,523.20
8	—	Counselor 276N-10 handle scale whi	945	11.72	11,075.40
9	2	Gray line 1107 king sz shwr cdy whi	2,670	3.98	10,626.60
10	—	Counselor 410N-10 wick scale	771	12.87	9,922.77
11	5	Ekco 38110/3811 towel bar 18"	4,919	1.99	9,788.81
12	6	Ekco 38890/C3889 toilet tissue holder	4,545	1.90	8,635.50
13	3	Selfix 2110 twin hook	9,203	0.93	8,558.79
14	7	Selfix 2274 towel bar 24"	5,112	1.64	8,383.68
15	—	Counselor 860N-10 prm elctrc scl whi	228	36.36	8,290.08

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
RUBBERMAID					
1	1	2894 Roughneck rfs cntnr choco	4,582	16.94	77,619.08
2	2	2882 Refuse container avocado	2,868	10.47	30,027.96
3	8	2965 Laundry basket almond	4,164	4.21	17,530.44
4	—	2937 Twin turntable sand	4,369	3.58	15,641.02
5	7	2965 Laundry basket chocolate	3,575	4.17	14,907.75
6	—	1904 Spatula	17,423	0.70	12,196.10
7	9	6032 Dish drainer chocolate	2,301	5.24	12,057.24
8	—	2864 Wast basket self closing choc	1,770	6.75	11,947.50
9	—	8365 Ice cube tray set 2 pk	8,244	1.43	11,788.92
10	—	6032 Dish drainer almond	2,244	5.21	11,691.24
11	3	1610 Calico shelf liner green	5,138	2.25	11,560.50
12	4	2865 Ice cube tray/ice blue	14,112	0.81	11,430.72
13	—	2862 Ice cube bin white	5,771	1.98	11,426.58
14	—	2936 5gl Turntable al/sand	5,541	2.06	11,414.46
15	5	2850 Waste basket lift lid choc	1,632	6.85	11,179.20
PLASTICS					
1	1	Fesco 7200N trash cn 20-gl choc/avoc	3,446	7.62	26,258.52
2	2	Fesco 5207N trash cn 32-gl choc/avoc	2,049	12.43	25,469.07
3	5	Lustro C124C trash can alum color	1,231	11.63	14,316.53
4	—	Lustro L-45 decanter assorted 1 gal	6,596	1.90	12,532.40
5	15	Eagle 6251 food saver oblong 10 oz	5,494	2.07	11,372.58
6	—	Eagle 3428 cake saver 10"	2,394	4.31	10,318.14
7	4	Lustro C124C Rftnr lck cvr grn	1,200	7.77	9,324.00
8	12	Alaba/Am Pro 60028/70403 dust pan	17,415	0.50	8,707.50
9	—	Fesco 1080 octag basket ½-bu yel	2,787	3.11	8,667.57
10	—	Eagle 4470 cold cut saver small	4,461	1.94	8,654.34
11	—	Eagle 5986 jar food saver 72 oz	5,743	1.48	8,499.64
12	7	Lustro P-80 heavy duty pail 11 qt	4,164	1.89	7,869.96
13	8	Fesco 5861 no-hands can choc/alm	1,120	6.94	7,772.80
14	—	Lustro BW60 side by side 60-qt alm	1,679	4.62	7,756.98
15	—	Fesco,3813/8100 10-qt pail choc/avoc	5,341	1.44	7,691.04

(Continued on page 20)

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Portable Electronic Typewriters Covered by Dumping Duties

WASHINGTON—U.S. International trade regulators rejected pleas from a group of Japanese typewriter manufacturers, and extended Federal "dumping duties" to imports of new-breed portable "electronic" typewriters.

Three years ago the International Trade Administration imposed special import restrictions on portable electric typewriters (PETs) from Japan after an investigation confirmed that the foreign-made machines were being sold to United States discount chains at prices below their "fair market value."

Late last year, a domestic manufacturer—U.S.-based SCM—urged I.T.A. to impose similar "countervailing duties" on "second generation" electronic portables now being shipped from Japan in increasing quantities and at bargain basement prices.

The new portable electronic models, many of which are retailing at less than $200, are being manufactured by the same Japanese firms and distributed by the same retail chains as the original "electric" typewriters specifically covered by the agency's 1980 "anti-dumping" order, SCM maintained.

In addition, the United States manufacturer argued that "for customs purposes" the terms "electric" and "electronic" are synonymous because both typewriters are intended for the same use and ultimate market.

(Continued on page 20)

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Microwave

(Continued from page 17)

The Rubbermaid line, specifically for the microwave, is just landing on customers' shelves, so it's too soon to talk about sales results. But, most buyers are enthused about the volume salability of the merchandise. One reason is that its white, fluted rim styling has already proven itself attractive to consumers.

The Wear-Ever merchandise was, at the outset, considered on the high-priced side by some buyers. In our view, that's a matter of perspective. The Wear-Ever group is higher priced than most bakeware stocked, but it's usable in the microwave oven and not as high a retail as much of the microwave cookware stocked. Additionally, this glass-with-SilverStone group is a unique new housewares offering, not duplicated anywhere else in the department.

Contents of the Mix

Our glassware listing for the first half, like that of many discounters, contains a lot of new listings. Several new beverageware items from Libbey, particularly their small patterns just introduced, have been added.

Libbey forms the backbone of our listing, supplemented by Anchor Hocking, J. G. Durand and Indiana Glass.

This year, as in 1982, we expect boxed glassware sets—18-24 pieces—to be heavily used for promotions with the

(Continued on page 20)

Hills' Donations Increase Most

BUFFALO—Hills Department Stores won the honors for the largest percentage increase in donations to the Children's Hospital here, helping to push the fund-raising drive over the $1 million mark.

Employees from 10 Buffalo area stores and the company contributed a total of $47,840. The workers held special events to raise the money, with the company adding $15,000 to the total.

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HOUSEWARES

9th Annual PMA

Discounters are bullish on the potential for boxed glassware. This display was featured at Danners 3D during the first quarter in the chain's Lebanon, Ind., store. *(DSN photo)*

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS*			
1	Foley 824 strainer 5" wood handle	140,775	1.25	175,968.75
2	Rhodes 29046/WC daisy bell timer	7,291	6.05	44,110.55
3	Swing-A-Way 407-21 can opener prtbl chrome	8,480	3.29	27,899.20
4	Swing-A-Way 107-21 can opener jr prtbl asst	10,037	1.64	16,460.68
5	Gemco 2100 whistler kettle assorted	3,230	4.86	15,697.80
6	American Family 3000 kitchen scale 25 lb	1,277	10.75	13,727.75
7	Foley 101 food mill family	1,416	9.06	12,828.96
8	Foley 157 can tapper	11,745	1.04	12,214.80
9	Foley 124 peeler	9,869	1.05	10,362.45
10	Foley 247 Fold N Pour dust pan	9,719	1.06	10,302.14
11	Foley 128 rolling pin	2,927	3.39	9,922.53
12	Foley 120 pizza cutter	9,060	1.05	9,513.00
13	Spring 103 oven thermometer	5,838	1.62	9,457.56
14	Foley 136 measuring cup	2,206	4.21	9,287.26
15	Spring 1103 Palisades in/out thermometer	1,774	5.21	9,242.54
	CLOSET*			
1	Lee/Row 3x80 skirt hanger set of 3	13,511	1.97	26,616.67
2	Lee/Row 3x50 skirt rack	6,216	3.07	19,083.12
3	Tamor 2280/3/2210/3 plastic suit hanger	12,858	1.34	17,229.72
4	Lee/Row 3x19 skirt & blouse adda hanger	8,376	1.97	16,500.72
5	Corr Pak W 2410/WSB storage chest	10,988	1.41	15,493.08
6	Lee/Row 3x6/3x34 wood trouser hanger	7,895	1.74	13,737.30
7	Lee/Row 3x89 overdoor hanger	6,056	2.18	13,202.08
8	Counselor 997N-11 caravan ov sc al	889	13.93	12,383.77
9	Corr Pak W 2806/WUB underbed chest	8,543	1.41	12,045.63
10	Corr Pak W 2112/WSB 4-drawer chest	1,642	6.79	11,149.18
11	Lee/Row 3x66/3x65 garment rack	945	11.10	10,489.50
12	Lerner 7400 sweater box plastic 16x11x7	2,167	4.09	8,863.03
13	Lee/Row 1567 storage/closet w/bag	365	23.53	8,588.45
14	Lee/Row 3x5 blouse tree 6-tier	3,612	2.37	8,560.44
15	Lee/Row 3x702 set of 1 jaw breaker hanger	11,375	0.69	7,848.75

Source: Stem-Nickman Distributing, a division of Cook United, Maple Heights, Ohio, for calendar 1982, covering 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.
**Not included in the PMA for calendar 1981.*

PMA® PRODUCT MOVEMENT AUDIT

Microwave

(Continued from page 18)

tonnage sales coming from retails at around $10. We do, however, see some pickup in volume from sets in the $14-$15 neighborhood.

An area of glassware expected to be good this year is boxed gift items. For the first quarter we're listing 15 items from Indiana Glass: among them, three styles in jars, an egg/relish dish, cake plates and the hen-on-a-nest covered dish.

Plans Aired

For late second-quarter/early third-quarter selling we're planning to bring in five items from Indiana's glass ice cream assortment.

We're suggesting that our customers plan an ad in June or July promoting an ice cream "package" of the Indiana items, the Hamilton Beach drink mixer and an ice cream freezer.

Promising Area

There's a new entry in the household chemicals/cleaning category which looks strong. It's the Spin-fresh from Johnson Wax which will be available this month. The item is an air freshener designed to be used in place of a toilet tissue roller. Not only is the product the first air freshener of its type to hit the market; it also ought to provide a strong promotional item, since it can be tagged at under $1.

Some changes may be forthcoming in the Rubbermaid lineup in future PMA listings. Over the past 60 days the color yellow has picked up in sales and could jump near the top of the charts. Seafoam green, the manufacturer's 1982 color entry, has also been selling well.

Typewriters

(Continued from page 18)

In contrast, a quartet of Japanese typewriter manufacturers and importers told I.T.A. that the new electronic models "are the product of a different technology" and that they are "radically different" from conventional electric portables in both physical characteristics and operating features.

In addition, representatives from Brother, Olivetti, Silver and Tokyo Juki argued that electronic portables are marketed to a "different category of customer" from those who purchase conventional "PETs."

I.T.A. wouldn't buy those arguments, however. In extending existing import restrictions to include new-generation electronic models, Federal international trade regulators said that "the expectations of the ultimate purchasers" of both types of typewriters are "likely to be the same."

"We cannot limit the scope of an order only to merchandise being manufactured at the time of an initiation of an investigation," I.T.A. ruled.

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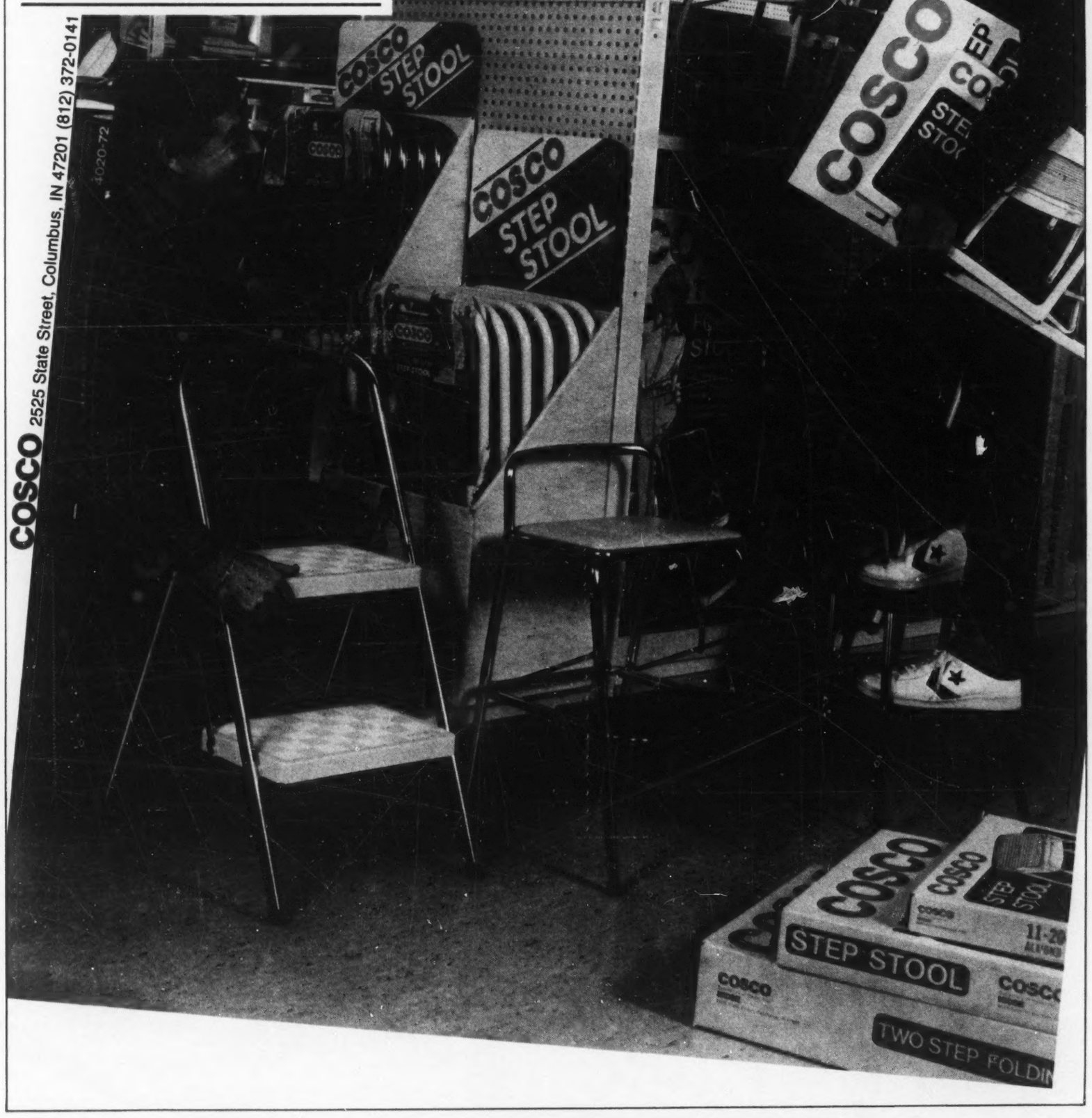

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HOUSEWARES

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Sales Gain; Mix Grows In Bakeware

By JERRY FALK
Executive Vice President, Bacar Distributors

Weeks of rain haven't dampened retailers' spirits in California. On the contrary, they're approaching the remainder of 1983 with a more optimistic outlook now than they had earlier in the year.

Their optimism isn't false, but based on the business clocked so far. January housewares sales were slow, but business picked up momentum throughout February and March.

At our own show in March, we at Bacar were all very pleasantly surprised by buyers' positive outlook for the balance of the first half and for a strong second half. The activity and strong attendance at our show prompted us to extend it for a week, running it for three weeks instead of the usual two.

There are several basic categories that are shaping up to remain strong but volatile in terms of new product entries and manufacturers entering the field.

Holds Its Own

In SilverStone-coated bakeware, for instance, a clear picture of which merchandise, price points and manufacturers will obtain greater market share has yet to emerge. So far Ekco's Baker's Secret line has more than held its own against the onslaught of several new and low-priced bakeware with SilverStone.

Ekco, still the dominant line in this bakeware category, will

(Continued on page 28)

Zayre Proposes A 2-For-1 Split

FRAMINGHAM, Mass.—Zayre Corp. has proposed a 2-for-1 stock split payable June 29, 1983, to stockholders of record June 8.

The split is subject to shareholder approval at Zayre's annual meeting on June 7. The number of outstanding common shares, as a result of the stock split, would be increased from approximately 8.4 million to 16.8 million.

The company's board of directors also announced its intention to increase the quarterly cash dividend to 15¢ per share, up from 10¢, payable June 2 on shares outstanding before the 2-for-1 split.

This would make the quarterly dividend 7½¢ per share in September following the split.

COOKWARE

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	0707 Gn Hswr "Granite" cr w/rck 21 qt ..	11,131	17.99	200,246.69
2	—	M1697-43 Mirro 7-pc st SlvrStn alm	3,048	62.95	191,871.60
3	—	503240 Nordic bundt + Pllsbry ck mx ..	12,827	9.89	126,859.03
4	4	2701 Revere ss/cb kettle whistle 3 qt ...	5,478	18.90	103,534.42
5	—	M0767-43 Mirro 2-pc sk st SlvStn alm ...	3,437	26.95	92,627.15
6	5	3501 Revere ss/cb kettle whistle 3.5 qt ..	3,445	25.20	86,814.40
7	7	1121 Revere ss/cb kettle whistle 6 cup ..	3,724	18.00	67,032.00
8	—	W0786-3 Mirro Wrtmr SlvStn 10" st pn ..	6,336	9.89	62,663.04
9	—	64100 Ekco Bkrs Scrt md ck sht 15x10" .	16,063	3.50	56,220.50
10	—	64110 Ekco Bkrs Scrt lrg ck sht 17x11" .	13,198	4.22	55,695.56
11	11	51199 Nordic 12-cup frmd bndt asst	7,122	7.82	55,694.04
12	2	37056 T-Fal 10" fry pan rouge	5,511	9.88	54,448.68
13	3	26030 Wear-Ever Prf SlSt 10" Chf fr pn ..	4,932	10.79	53,216.28
14	—	1133 Gen Hseware Wgnr tea ktl 2½ qt ..	1,202	40.49	48,668.98
15	—	0509 Gen Hswr "Granite" ov rst 15-18 lb	3,593	13.50	48,505.50

CORNING

1	—	F-21 Roaster French White	2,314	24.74	57,248.36
2	3	F-2-S 2½-qt oval casserole/lid whi	2,540	19.34	49,123.60
3	9	A-300-8 Starter set Spice	846	50.39	42,629.94
4	7	F-3 10" pie/quiche white	3,478	11.69	40,657.82
5	—	A-300-7 Kitchen Starter Set WldFlwr	790	50.39	39,808.10
6	6	F-1-S 2½-qt round casserole/lid white ...	1,995	19.34	38,583.30
7	1	A-500-8N Chef Master set Spice	408	85.49	34,879.92
8	—	P-104-8 6-cup teapot Spice	1,553	20.24	31,432.72
9	—	F-8 Pie plate/quiche French White	3,165	8.99	28,453.35
10	—	P104-7 6-cup teapot WildFlower	1,359	20.24	27,506.16
11	—	A10-8 10½" skillet Spice	1,146	22.49	25,773.54
12	—	A-5-8-S 5-qt sauce pot Spice	839	30.14	25,287.46
13	10	P-1420 Counter Saver large white	1,001	25.19	25,215.19
14	—	A-2-8 2-qt sauce pan Spice	1,208	19.34	23,362.72
15	—	P-43-8 Petite set 2-pc Spice	1,514	14.39	21,786.46

DINNERWARE

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Dimension-IV, 3216-32 16-pc st Cnmn ..	1,830	44.99	82,331.70
2	—	Dimension-IV, 3216-34 16-pc set Slate ..	1,459	44.99	65,640.41
3	4	Expressions 2020-12 20-pc st Ind Sm ...	621	67.49	41,911.29
4	6	Dimension-IV, 3216-33 16-pc st alm	892	44.99	40,131.08
5	5	Expressions 2020-13 20-pc st Mdw	579	67.49	39,076.71
6	2	Expressions 2020-7 20-pc st Wld Flwr ..	574	67.49	38,739.26
7	7	Dimension-IV, 3216-31 16-pc st Ctrs	837	44.99	37,656.63
8	—	Corelle 16-N 16-pc set white	991	34.19	31,112.90
9	—	Corelle 418 med bowl white	2,627	11.69	30,709.63
10	—	Corelle 110 large plate white	2,356	12.14	28,601.84
11	8	Corelle 16-4 16-pc set gold	794	34.19	27,146.86
12	11	Corelle 16-5 16-pc set blue	788	34.19	26,941.72
13	10	Corelle 1606 16-pc set Woodland	694	34.19	23,727.86
14	9	Corelle 16-1 16-pc set green	641	34.19	21,915.79
15	—	Corelle 108 med plate white	2,022	10.79	21,817.38

GLASSWARE

1	—	Anchor Hocking 190/489 1-gl sn tea jr ..	20,614	4.14	85,341.96
2	—	Durand 3030988 diamant goblet	33,360	1.80	60,048.00
3	1	Libbey 515 Citation 6½-oz tal wine	7,632	6.93	52,889.76
4	—	Durand 8001356 diamant 9" sld bwl	11,914	4.41	52,540.74
5	—	Durand 8011041 lancer beverage	49,224	0.99	48,731.76
6	—	Durand 3030996 diamant wine	26,446	1.80	47,602.80
7	—	Durand 3030243 12-pc Grnd Nbiss st ...	2,207	19.80	43,698.60
8	—	Durand Rosaline 7200181 16-pc hst st ..	1,605	22.50	36,112.50
9	—	Durand 8007148 24-pc lancer bev st	1,637	21.60	35,359.20
10	—	Durand 6200661 Rosaline 6-oz wn 4 pk .	3,532	9.90	34,966.80
11	—	Durand 8011066 lancer otr	35,244	0.99	34,891.56
12	5	Libbey 519 Citation stem goblet	4,876	6.93	33,790.68
13	—	Durand 6200653 Rosaline 8½-oz gb 4 pc	3,373	9.90	33,392.70
14	2	Libbey 771 7-oz Margarita glass	12,888	2.16	27,838.08
15	9	Libbey 516 Citation 6½-oz rnd wine	3,896	6.93	26,999.28

(Continued on page 28)

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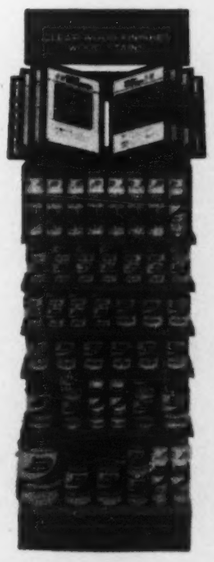

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HOUSEWARES

9th Annual PMA

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
RUBBERMAID					
1	1	2894-C Roughneck rnd cn 32-gl choc ...	4,663	25.64	119,559.32
2	2	2894-A Roughneck rnd cn 32-gl avoc ...	3,557	25.64	91,201.48
3	3	2965-C Rectangular laundry bskt choc ..	11,408	5.75	65,596.00
4	—	2936-AL Single turntable almond	20,723	2.51	52,014.73
5	7	2311-AL Slide-out drawer 16" alm	4,573	11.06	50,577.38
6	—	2869-8 Ice tray blue shrink pk	50,700	0.98	49,686.00
7	6	2309-AL Slide-out drawer 12" alm	4,551	10.16	46,238.16
8	10	2937-AL Twin turntable almond	10,602	4.31	45,694.62
9	—	2858-C Step-on w/basket chocolate	3,504	12.95	45,376.80
10	3	2965-AL Rectangular lndry bskt alm	7,862	5.75	45,206.50
11	—	1181-AL Drain tray 15x20 almond	9,871	4.31	42,544.01
12	—	6032-AL Deluxe dish draun wire alm	6,761	6.29	42,526.69
13	9	2845-C Small rctngir wstbskt chc	8,639	4.76	41,121.64
14	—	2302-AL Stor turntable 19x21 almond ...	5,262	7.37	38,780.94
15	—	2846-C Large rect wastebasket choc	6,669	5.75	38,346.75
BATH SHOP					
1	1	1007 Grayline king size shower caddy ..	17,244	5.12	88,289.28
2	—	P203-GT Willert t/bowl fresh deod tree ..	54,504	0.62	33,792.48
3	2	1101 Grayline small shower caddy	6,750	3.14	21,195.00
4	6	C-441 Selfix shampoo spray	9,405	2.15	20,220.75
5	—	3306PM Borg scale wicker natural	688	18.89	12,996.32
6	4	443 Selfix portable wall/hand shower ...	1,309	9.89	12,946.01
7	—	3300PM Borg scale square almond	752	16.19	12,174.88
8	10	2525LM Borg scale oval almond	447	25.19	11,259.93
9	5	3300PM Borg scale square brown	688	16.19	11,138.72
10	—	3306PM Borg scale wicker brown	541	18.89	10,219.49
11	—	7210LM Borg scale rectangular brown ..	433	21.59	9,348.47
12	—	2525LM Borg scale oval brown	358	25.19	9,018.02
13	11	7210LM Borg scale rectangular white ...	400	21.59	8,636.00
14	9	3300PM Borg scale square gold	512	16.19	8,289.28
15	—	9100PM Borg scale electric-digital alm ..	129	62.99	8,125.71

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PYREX					
1	1	233 3-qt oblong bake dish	12,475	6.74	84,081.50
2	2	234 4-qt oblong bake dish	9,042	8.81	79,660.02
3	—	2221-FN Party Server	2,916	26.99	78,702.84
4	8	516-5 16-oz liquid measure	15,992	2.96	47,336.32
5	—	5000 Bake 'N' Store set	3,119	14.39	44,882.41
6	3	233-F Fireside 3-qt utility dish	6,162	7.19	44,304.78
7	9	232 2-qt oblong bake dish	7,392	5.75	42,504.00
8	—	508 8-oz liquid measure	18,071	2.33	42,105.43
9	6	2330 3-qt Utility dish w/basket	2,221	16.64	36,957.44
10	—	463-D-S 6-oz custard cup 4 pk	9,126	3.59	32,762.34
11	—	532 32-oz liquid measure	6,888	4.31	29,687.28
12	—	6464-D 2-qt pitcher	2,741	10.25	28,095.25
13	—	222 2-qt square cake dish	6,004	4.67	28,038.68
14	10	440-49-S 4-pc bowl set w/lip Harvest ...	1,500	18.44	27,660.00
15	—	209 9" pie plate	10,146	2.69	27,292.74
MICROWAVE					
1	1	Nordic Micro-Go-Round 62304	5,343	50.39	269,233.77
2	—	Anchor Hocking PM40012 5-pc set	2,280	32.62	74,373.60
3	3	Nordic 63204 bacon/meat rack	8,846	8.09	71,564.14
4	—	Corning P150-BPS Grab-It	11,466	6.07	69,596.62
5	6	Anchor Hocking PM469T1 bacon rack ..	7,279	8.64	62,890.56
6	2	Corning MW-2 browning grill	2,108	29.24	61,637.92
7	5	Corning MW-A-10 10" cvrd brwng skit ...	1,567	28.34	44,408.78
8	—	Nordic 61604 large grill sheet	3,496	11.69	40,751.34
9	—	Microette 486 plate cover clear	5,610	6.02	33,772.20
10	—	Corning P140-BP side kick	6,030	4.72	28,461.60
11	—	Corning P-150-S Grab-It set white	2,239	12.59	28,189.01
12	—	Nordic 61104 bundt	3,213	8.09	25,993.17
13	—	Anchor Hckng PM481T1 1-qt pn w/cvr ..	3,224	7.83	25,243.92
14	—	WearEver 80055 meal rack	1,842	13.49	24,848.58
15	—	Anchr Hckng PM400126 3-pc ppr/stmr ..	1,704	14.40	24,537.60

(Continued on page 30)

PMA PRODUCT MOVEMENT AUDIT

Sales Gain

(Continued from page 25)

respond to the competition with stronger television advertising support this year.

Uncertainty in this merchandise is leading retailers and distributors to cover more bases and stock a longer than usual product and manufacturer line-up. We at Bacar, in addition to Ekco's nonstick Baker's Secret line, have cast our lot with Mirro for light-weight aluminum with SilverStone.

Still another entry in the bakeware field is SilverStone on steel. We've selected the Bake King by C. M. Products line as part of our assortment, representing the SilverStone-on-steel segment.

Further complicating the bakeware picture is the unique Wear-Ever line, new for 1983, using SilverStone on glass. As the only nonstick product that's also usable in microwave ovens, the line ought to have considerable customer appeal, particularly on the West Coast where microwave cooking has really taken off.

Still, buyers' reactions to the Wear-Ever line have been mixed. Convinced of the salability of the concept, they're still hesitant about plunging in with heavy inventory levels because the line would mean mov-

(Continued on page 30)

Murphy's Lytle AGMC Chmn.

WASHINGTON—G. C. Murphy Company president C. H. Lytle is the new chairman of the Association of General Merchandise Chains (AGMC).

Lytle and two other discount chain executives were made officers at the recent 50th annual AGMC meeting. Max S. Danner, chairman of Danners, was named vice chairman, and Philip Rogers, vp of G. C. Murphy, was named treasurer.

E. B. Rowe, vp of Household Merchandising, was named secretary.

Two new broad members are Harold F. Sells, president of F. W. Woolworth, and Owen Chaffin, president of Chaffin Inc.

The AGMC represents 120 retail companies which operate a total of over 20,000 discount, variety, dollar and family center stores. Member companies account for $34 billion in annual sales.

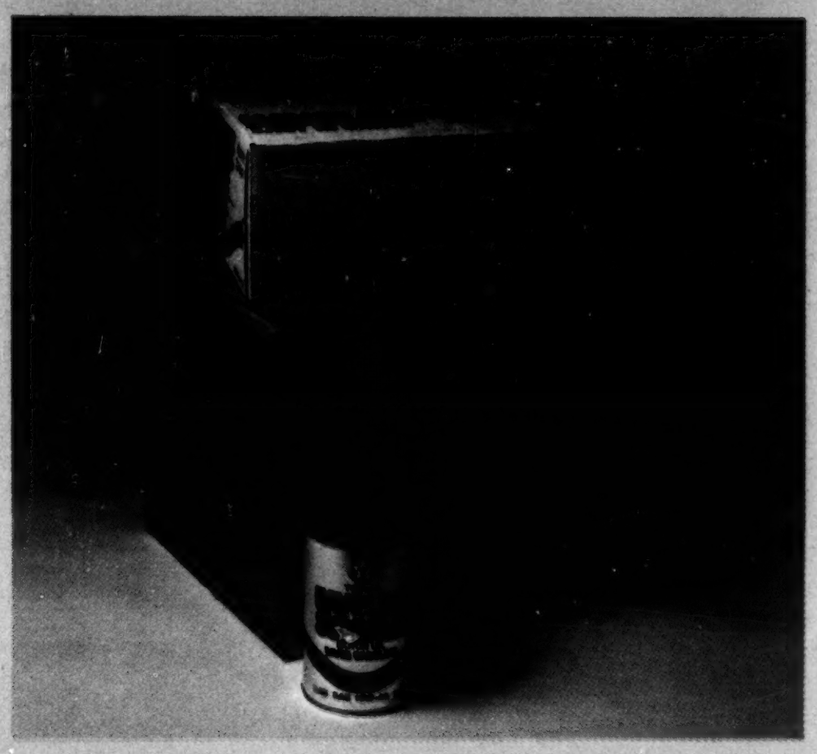
Grand Auto Payout

OAKLAND, Calif.—Grand Auto declared a 15¢-per-share dividend on its common stock, payable March 29 to shareholders of record as of March 15.

Grand Auto has 80 stores in California and Nevada.

The company's common stock is listed on the American and Pacific stock exchanges.

BIG SAVINGS IN EITHER CASE.



Save $1.50 on 24/1-quart cases of Havoline Supreme 10W-40 and 75¢ on Easy Dozen™ cases.

Starting March 1st, you can save $1.50 on every 24/1-quart case of Havoline Supreme 10W-40. In addition, we'll increase retailers' ad allowances from 36¢ to $1.00 for each 24/1 case purchased.

At the same time, on purchases of our popular Easy Dozen 12/1-quart cases of Havoline Supreme 10W-40, you'll save 75¢ per case and retailers' ad allowances will jump from 18¢ to 50¢ per case.

These special off-invoice allowances good on all orders shipped from March 1 through April 30, 1983. Bonus ad allowances apply to retailers' purchases and must be used by July 31, 1983.

• **Plus a great consumer rebate offer.** From March 15 to April 30, 1983, retailers will be able to offer customers a $1.50 mail-in rebate with the purchase of 5 quarts of any Havoline motor oil. Volume-minded retailers know what a great traffic builder this can be.

• **Plus up to 125% retailer reimbursement** of net cost for Havoline print, radio, and TV advertising.

• **Plus $50 per store** per quarter Havoline Display Allowance.

• **And there's even more:** up to $800 cash bonus to retailers for new store Grand Openings that feature Havoline *in addition to earned ad allowances.*

• **Warm up for a new season with a proven winner.** In auto supply stores, discount stores, and supermarkets combined, more motorists buy Havoline than any other major oil company brand.

For details on Havoline Spring Savings, contact your Havoline representative, wholesaler, or John P. Wies, Manager, Lubricants and Services, Texaco U.S.A., 1111 Rusk Avenue, Houston, TX 77002. Phone (713) 650-5218.

TEXACO

HOUSEWARES

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Sales Gain

(Continued from page 28)

ing into substantially higher price points in bakeware.

Another highly competitive area this year will be the glassware field. Here four manufacturers—Anchor Hocking, Libbey, Wheaton and Durand—are waging a tough fight for the shelf space which was once assumed to be going to the acknowledged leaders in the glassware business.

A new line that looks like it offers good sales potential in 1983 is Corning's Cornerstone, this company's entry into stoneware-look dinnerware.

Because of Cornerstone's high price, it's not for every account. But for those retailers already carrying imported stoneware, the addition of the Corning name and strong advertising program will make Cornerstone an important addition to their current dinnerware offerings.

An area which we see as growing in importance as part of the housewares department is kitchen domestics. We've added the Snowflake/Wolf line and are offering it to our customers as part of our Culineria program, a group of fashion housewares merchandise displayed on fixtures which we designed.

The new kitchen textiles group has replaced the copper wares assortment which had been a strong segment of the Culineria program but has slowed down considerably in sales. We continue to think copper cookware and decorative accessories have a place in housewares assortments, but the big sales period has peaked.

Based on the Product Movement Audit sales for calendar year 1982 the strength of microwave cookware and accessories on the West Coast is apparent. One of the single biggest volume items on the PMA listings is the No. 1 seller in this area, the Nordic Micro-Go-Round. This item was at the top of the list in 1982 and 1981.

The Nordic entry continues to dominate even though Anchor Hocking brought out a competitive product. The Anchor version didn't hit the market until late in the year, so it's too early to tell how it will ultimately impact movement of the Nordic best seller.

In the No. 2 place in microwave cookware is Anchor Hocking's relatively new item, the five-piece microwave set—five of Anchor's best items packaged as a set and representing very good value for customers.

Numerous items from Nordic, Anchor and Corning among the top 15 items in microwave cookware show all three as making a strong bid.

Yet to be heard from is the new entry, Rubbermaid Microware, which will certainly make itself felt in 1983. We predict the line will be one of the strongest in 1983.

A new program called The Winery has been developed by Bacar which has the potential for stimulating stemware sales in any retail outlet selling wine and liquor. For discounters, the concept is a stemware cross-merchandising opportunity.

The program embodies the principle of displaying stemware—stems up/bowls down—in slotted racks, above the wine and liquor gondola runs, just as stemware is stored above a bar. Included in the presentation are the best-selling bar gadgets.

So far, the program has been picked up principally by the large drug chains, such as Long's and Payless, which are using The Winery to broaden their stemware assortments beyond the merchandise stocked in the housewares area.

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS*			
1	Rhodes 29035 timer short ring almond	9,488	8.55	81,122.40
2	407-C21 Swing-A-Way hand can opener choc	10,663	4.67	49,796.21
3	Swing-A-Way 407-H21 hand can opener Harvest	9,465	4.67	44,201.55
4	Swing-A-Way 107-21 jr hand can opener	16,565	2.42	40,087.30
5	Foley 280 jar lifter coated	10,268	3.86	39,634.48
6	Foley 143 nylon baster	25,796	1.52	39,209.92
7	American Family 3100 diet scale	5,967	5.75	34,310.25
8	Chaney 722 fry-jelly-candy thermometer	16,370	2.06	33,722.20
9	P/I CB-33 copper 3-tier hang basket	4,036	8.10	32,691.60
10	Bromwell 3119 grater ss large sq	7,265	4.04	29,350.60
11	Rhodes 22510 timer long ring white	2,121	13.05	27,679.05
12	UJ Ezv 104 roast rack	4,366	6.28	27,418.48
13	Grayline 710 jumbo shelf 16x5x8	6,809	3.95	26,895.55
14	Foley 101 food mill 2 qt	2,290	11.68	26,747.20
15	American Family 3000 household scale white	1,988	13.45	26,738.60
	PLASTICS*			
1	Loma 364 32-gal garbage can green	5,193	11.69	60,706.17
2	Freezette 156 uprite set 1 qt	11,399	2.96	33,741.04
3	Freezette 154 uprite set 1 pt	10,975	2.96	32,486.00
4	Cadence 60061 stemtrack clear acrylic	5,546	5.84	32,388.64
5	Freezette 155 uprite set 1½ pt	10,053	2.96	29,756.88
6	Freezette 153 uprite set ¾ pt	6,683	2.96	19,781.68
7	Superseal 2757 2-qt decanter clear	9,756	1.88	18,341.28
8	Clipper 1048 spray bottle pint	12,742	1.43	18,221.06
9	Arrow 109 Rainbow tumblers 16 oz	28,885	0.62	17,908.70
10	Freezette 152 uprite set ½ gal	5,680	2.96	16,812.80
11	Freezette 94187 ½-gal pitch w/4 tumbler	6,728	2.42	16,281.76
12	Freezette 139 large flat 9½ qt	2,571	6.29	16,171.59
13	Freezette 336 snap-lock flat 7¼ qt	3,401	4.49	15,270.49
14	Superseal 5987 jar 110 oz	5,272	2.87	15,130.64
15	Freezette 333 snap-lock container 1¼ qt	9,323	1.61	15,010.03
	CLOSET & STORAGE*			
1	4000 McMillin 1-pc wire shoe rack	7,884	3.14	24,755.76
2	BT-100 A&E plastic tubular hanger brown	48,292	0.22	10,624.24
3	BT-100 A&E plastic tubular hanger beige	47,118	0.22	10,365.96
4	BT-100 A&E plastic tubular hanger white	39,488	0.22	8,687.36
5	BT-100 A&E plastic tubular hanger yellow	38,075	0.22	8,376.50
6	195/7 Wil-Hold large storage box	1,098	6.74	7,400.52
7	V8000-10 A&E set 10 drip/dry hanger wire/vinyl	4,752	1.43	6,795.36
8	195/6 Wil-Hold small storage box	1,116	5.57	6,216.12
9	619 Wall skirt hanger set of 3 metal	2,710	2.06	5,582.60
10	W6161-C A&E set of 2 skirt hanger wood	2,970	1.79	5,316.30
11	W6132-C A&E set of 2 slack hanger wood	2,935	1.79	5,253.65
12	W6000-C A&E set of 4 dress hanger wood	2,529	1.79	4,526.91
13	N5041-C A&E set of 3 suit hanger w/clip clear	1,984	2.06	4,087.04
14	622 Wall over door hanger	1,920	1.70	3,264.00
15	195/5 Wil-Hold shoe box/vanilla lid	1,488	2.06	3,065.28

Part of the gadget presentation at the new Target stores in San Diego, Calif., is a display of more than 20 different wooden kitchen utensils, each in its own separate bin. *(DSN photo)*

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		CLEANING/CHEMICALS			
1	—	2-YD Curity cheese cloth 2-yd pckg	19,370	1.07	20,725.90
2	—	7274 O-Cel-O sponge hand size 4 pk	19,898	0.89	17,709.22
3	5	19-645 Ballonoff copper dustpan	9,418	1.70	16,010.60
4	2	1185 Roll-O-Matic sponge mop	1,303	10.97	14,293.91
5	4	045 Quickie automatic sponge mop	1,908	7.37	14,061.96
6	—	057 Quickie automatic roller mop	1,594	8.27	13,182.38
7	—	E-20 Willert Enoz moth ball 1-lb box	7,114	1.70	12,093.80
8	—	7 White 16" black dust pan	2,040	5.92	12,076.80
9	—	E-80 Willert Enoz moth ball 10-oz box	7,494	1.61	12,065.34
10	—	T-16 F&G Vac bag Eureka upright	13,360	0.90	12,024.00
11	—	901 White 12" black dust pan	3,877	3.05	11,824.85
12	—	T-41 Vac bag Hoover bottomfill	12,268	0.90	11,041.20
13	—	508N Willert cedar mth bls 7-oz bg	8,244	1.25	10,305.00
14	—	869 Kellogg handled scrub nylon	6,774	1.52	10,296.48
15	—	535 Willert cedar moth ball kill block	5,472	1.79	9,794.88

Source: Bacar, distributors, San Jose, Calif., for calendar 1982, covering 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.

*Not included in PMA for calendar 1981.

Retailers' Pension Plans Found in Good Shape

NEW YORK—Discounters with an eye on the troubled Social Security headlines can rest easy; retailer pension plans are well-off.

"Pension plans of major retailers," says a new executive report, "show relative strength and stability. These companies are meeting their pension obligations without putting any exceptional strain on earnings during difficult times."

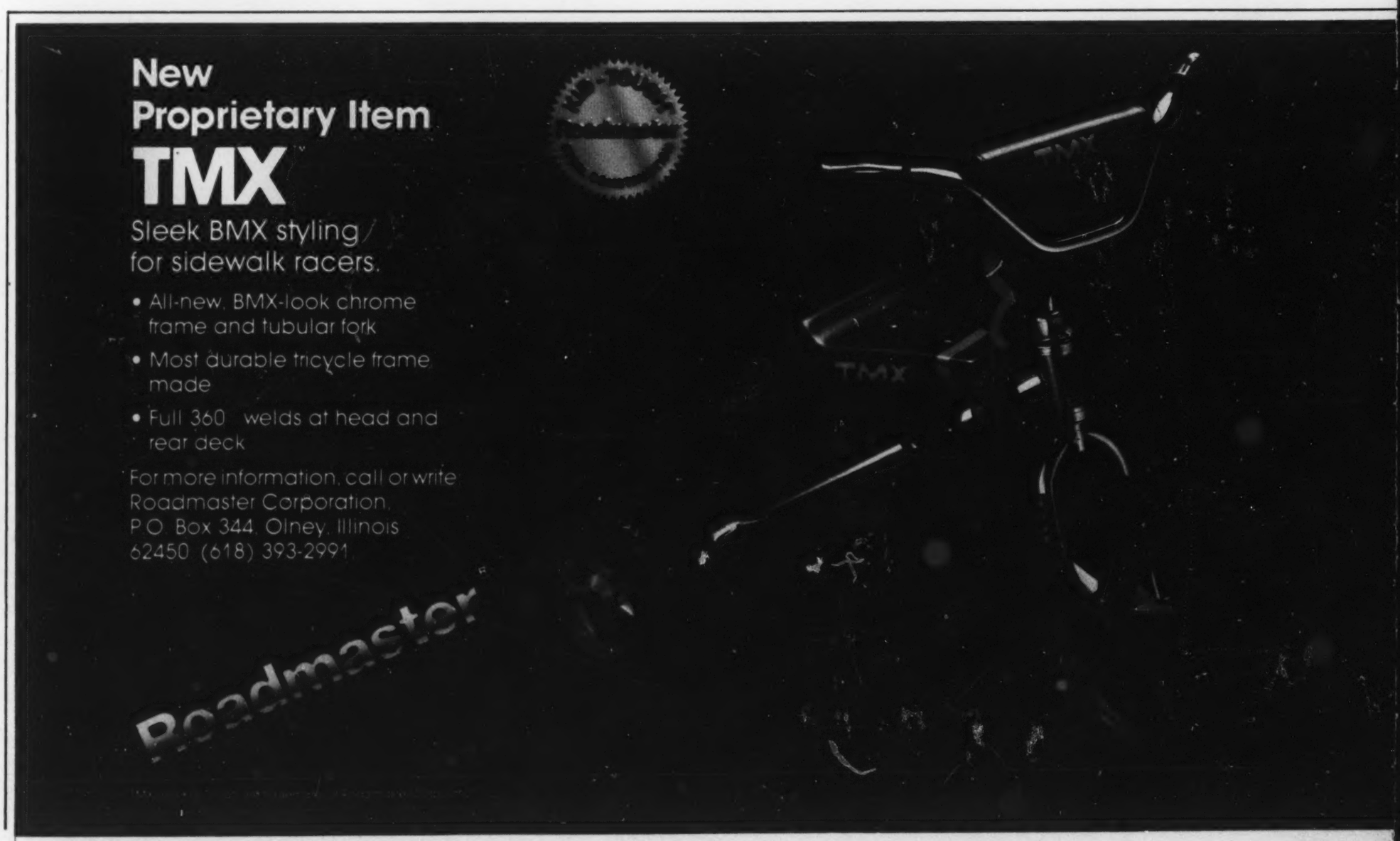
The report is based on a survey by Johnson & Higgins, and the study companies included K mart, Zayre, and the parent

(Continued on page 44)

Costs, Liabilities of Big-Retailer Pension Plans

	1981	1980	Nonindustrial industries' average
Avg. cost per company (millions)	$26.5	$25.6	$46.6
Cost as % of pretax profit	16.6	16.7	15.5
Cost per employee	$420	$392	$1,428
Net assets as % of total accumulated benefits	91.3	—	96.4
Unfunded vested benefits as % of net worth	0.6	—	0.4

Source: Johnson & Higgins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• Most durable tricycle frame made
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Roadmaster
TMX

HOUSEWARES

9th Annual PMA

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TABLE TOP					
1	3	Corelle 16-4 16-pc set, gold	18,152	32.84	596,111.68
2	1	Corelle 16-1 16-pc set, green	15,068	32.84	494,833.12
3	2	Corelle 16-6 16-pc set, Wdln	14,018	32.84	460,351.12
4	5	Exprssns 2020-7 20-pc, Wldflwr	2,916	63.89	186,303.24
5	8	Corelle 16-5 16-pc set, blue	5,580	32.84	183,247.20
6	4	Exprssns 2020-12 20-pc st, Ind Smr	2,837	63.89	181,255.93
7	6	Exprssns 2020-13 20-pc st, Mdw	2,797	63.89	178,700.33
8	7	Exprssns 2020-16 20-pc st, strwbr	2,163	63.89	138,194.07
9	11	Corelle 16N 16-pc set, white	4,168	32.84	136,877.12
10	—	Dimension IV, 3216-34 16-pc st, slt	2,692	43.19	116,267.48
11	9	Dimension IV, 3216-32 16-pc st, cnmn	2,669	43.19	115,274.11
12	—	Corelle 16-23 16-pc set, mb	3,451	32.84	113,330.84
13	14	Corelle 4020-71 Tradition 20-pc st, hrv	1,650	47.69	78,688.50
14	—	Corelle 4020-8 Tradition 20-pc st, Sp	1,300	47.69	61,997.00
15	—	Corelle 4020-70 Tradition 20-pc st, Flr	973	47.69	46,402.37
GLASSWARE					
1	—	Anchor 3600/672A Entrtnr st, 40-pc	2,645	28.79	76,149.55
2	—	Anchor 3513N crystal bev 8 oz	15,045	3.77	56,719.65
3	2	Anchor N3600 gold Westwood 24 pc	2,601	16.19	42,110.19
4	8	Libbey 824868 24-pc Bolero, bl	2,344	17.09	40,058.96
5	11	Libbey 82486K 24-pc Bolero, gl	2,029	17.09	34,675.61
6	—	Libbey 824370 B1 Country Sq 24 pc	1,232	27.44	33,806.08
7	9	Libbey 82496T Twny Entrtnr st 24 pc	1,650	17.09	28,198.50
8	—	Libbey 82438T 24-pc Fjord st Twn	1,195	21.86	26,122.70
9	3	Anchor 3600 cry, Westwood 24-pc	1,580	16.19	25,580.20
10	13	Libbey 82430K gld Cntry Grdn 24 pc	1,177	21.59	25,411.43
11	—	Libbey 82482 Chivalry 24-pc st	1,019	24.29	24,751.51
12	—	Libbey 81837T 18-pc Capri st Twn	1,834	13.49	24,740.66
13	—	Anchor 225/3109E cry Sham 9 oz	38,248	0.62	23,713.76
14	—	Anchor 2152CV/240 Roses bev 4 pk	4,643	4.67	21,682.81
15	—	Libbey 81837D 18-pc Capri st, Bl	1,563	13.49	21,084.87
COOKWARE					
1	1	Ekco 64330 Bakers DB cake pan	22,174	3.59	79,604.66
2	2	Ekco 64110 Bakers cookie sheet	17,806	4.04	71,936.24
3	3	Ekco 64100 Bakers cookie sheet	15,840	3.59	56,865.60
4	4	Ekco 64200 Bakers 12-cup muffin	11,962	4.31	51,556.22
5	5	Ekco 64260 Bakers roast/bake	9,164	4.94	45,270.16
6	7	Ekco 64470 Bakers loaf pan	11,601	3.23	37,471.23
7	8	Ekco 54110 cookie sheet	13,093	2.60	34,041.80
8	—	Ekco 99071 Bakers ppk	12,015	2.69	32,320.35
9	9	Ekco 64590 Bakers pizza pan	8,496	3.59	30,500.64
10	—	Ekco 64080 Bakers cookie sheet	9,908	2.87	28,435.96
11	15	Ekco 64070 Bakers loaf pan	10,098	2.60	26,254.80
12	10	Ekco 54330 roasting pan	11,336	2.24	25,392.64
13	—	Hillside HM60SP Spring Form pan	3,744	6.74	25,234.56
14	11	Ekco 64600 Bakers 6-cup muffin	6,759	3.59	24,264.81
15	14	Ekco 64950 Bakers round cake pan	10,271	2.33	23,931.43
CORNING					
1	1	F330 French white 3-pc set	2,522	42.29	106,655.38
2	9	P150 Grab-it set	6,046	11.51	69,589.46
3	—	A21 Roaster	2,954	21.32	62,979.28
4	4	P14 Cass-erette	7,439	8.09	60,181.51
5	—	P104 Teapot	2,566	17.09	43,852.94
6	—	A300 Kitchen Starter set	1,030	41.84	43,095.20
7	14	P104-8 Teapot, Spice	2,274	18.89	42,955.86
8	—	A 21-8 Roaster, Spice	1,722	23.39	40,277.58
9	—	A300-8 Kitchen Starter st, Sp	827	47.69	39,439.63
10	7	F2 French white 2½-qt ov cov csrl	2,080	18.44	38,355.20
11	—	A21-7 Open roaster, Wildflower	1,560	23.39	36,488.40
12	—	A300-7 Starter set, Wildflower	751	47.69	35,815.19
13	—	P104-7 Teapot 6-cup, Wildflower	1,890	18.89	35,702.10
14	—	F5 French white 1½-qt cov csrl	2,059	16.19	33,335.21
15	—	F15 French white 15-oz ov csrl	2,522	13.04	32,886.88

Marble-based items—hurricane lamps, cheese domes, cake plates, lazy susans and salt/pepper shakers—are featured on an endcap in the new tabletop area at Bradlees,East Hanover, N.J. *(DSN photo)*

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PYREX					
1	—	11 5 Hurricandle	19,600	9.53	186,788.00
2	2	233 Utility dish	14,121	6.47	91,362.87
3	—	2112 Mini Hurricandle 2 pk	5,764	15.29	88,131.56
4	4	62 30F Covered csrl & bskt	7,332	9.44	69,214.08
5	3	2330 3-qt Bake dish & basket	4,210	15.74	66,265.40
6	1	2320F 2-qt Bake dish & basket	5,270	10.34	54,491.80
7	10	508 Measure	20,636	2.24	46,224.64
8	—	234 Oblong bake dish 4 qt	5,330	8.27	44,079.10
9	11	516 Measure	14,582	2.87	41,850.34
10	15	463 D Custard cup	11,700	3.50	40,950.00
11	6	6840 2-qt Csrl & bskt	2,546	15.74	40,074.04
12	—	704 Oval bake dish	3,753	10.25	38,468.25
13	13	232 Utility dish	6,923	5.39	37,314.97
14	—	222 Cake dish square	7,803	4.49	35,035.47
15	—	1212 Mix n bake set	2,988	11.69	34,929.72
MICROWAVE					
1	1	Corning M-W-2 Grill	2,495	27.44	68,462.80
2	3	Corning MWA10 cov brng skl	1,626	25.73	41,836.98
3	5	Anchor PM469/T1 bcn rck	5,247	6.83	35,837.01
4	2	Corning MW-360 set	649	48.59	31,534.91
5	—	Corning MW116 5-pc set	1,013	30.59	30,987.67
6	—	Corning MW-11 browning grill	1,647	17.27	28,443.69
7	—	Anchor PM400/126 cm ppr	1,740	12.59	21,906.60
8	4	Corning MR1 rack	2,093	10.16	21,264.88
9	7	Anchor PM447/T1 muffin tin	2,689	7.19	19,333.91
10	9	Anchor PM479/T1 roast rack	2,514	6.83	17,170.62
11	—	Corning MW 12 pizza crisper	554	26.99	14,952.46
12	12	Corning MC1 small dish	1,083	12.86	13,927.38
13	8	Anchor PM444/T1 cookie sheet	1,940	6.83	13,250.20
14	13	Corning M68 Cook N Pour pan	710	16.91	12,006.10
15	11	Anchor PM481/T1 versatility	1,597	6.83	10,907.51

(Continued on page 32)

PMA®

PRODUCT MOVEMENT·AUDIT

Plus Business Seen in Wood, Cutlery, Textiles

By HAROLD RUBIN
President,
HalMar Distributors

January housewares business in the New England area represented nothing short of a tremendous beginning for 1983. Merchandise sold well across-the-board with no particular categories standing out.

A couple of slower weeks in February haven't changed buyers' looking forward to continuing good sales increases, because March and April had already been planned with a strong promotional posture—a longer-than-usual list of housewares promos with sharper price points.

Along with keeping the heat turned up under housewares price promotions, several new strategies for developing additional sales are emerging for the first and second half.

Customer response has, for instance, led us at HalMar to developing new programs to supplement the already big volume in the glassware category.

A new jar program has been added with delivery scheduled for the first half. Manufacturers represented in that program are Wheaton, J. G. Durand and Indiana Glass.

For the second half, we've developed a program for boxed glass giftware consisting of items like platters, egg plates, chip 'n' dip servers, etc. The majority of this merchandise is planned to retail under $10. Many stores are setting aside a 4-ft. section for the boxed glass

(Continued on page 32)

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Daisy pedals too!
Here's the hottest innovation in years to capture a little girl's heart.
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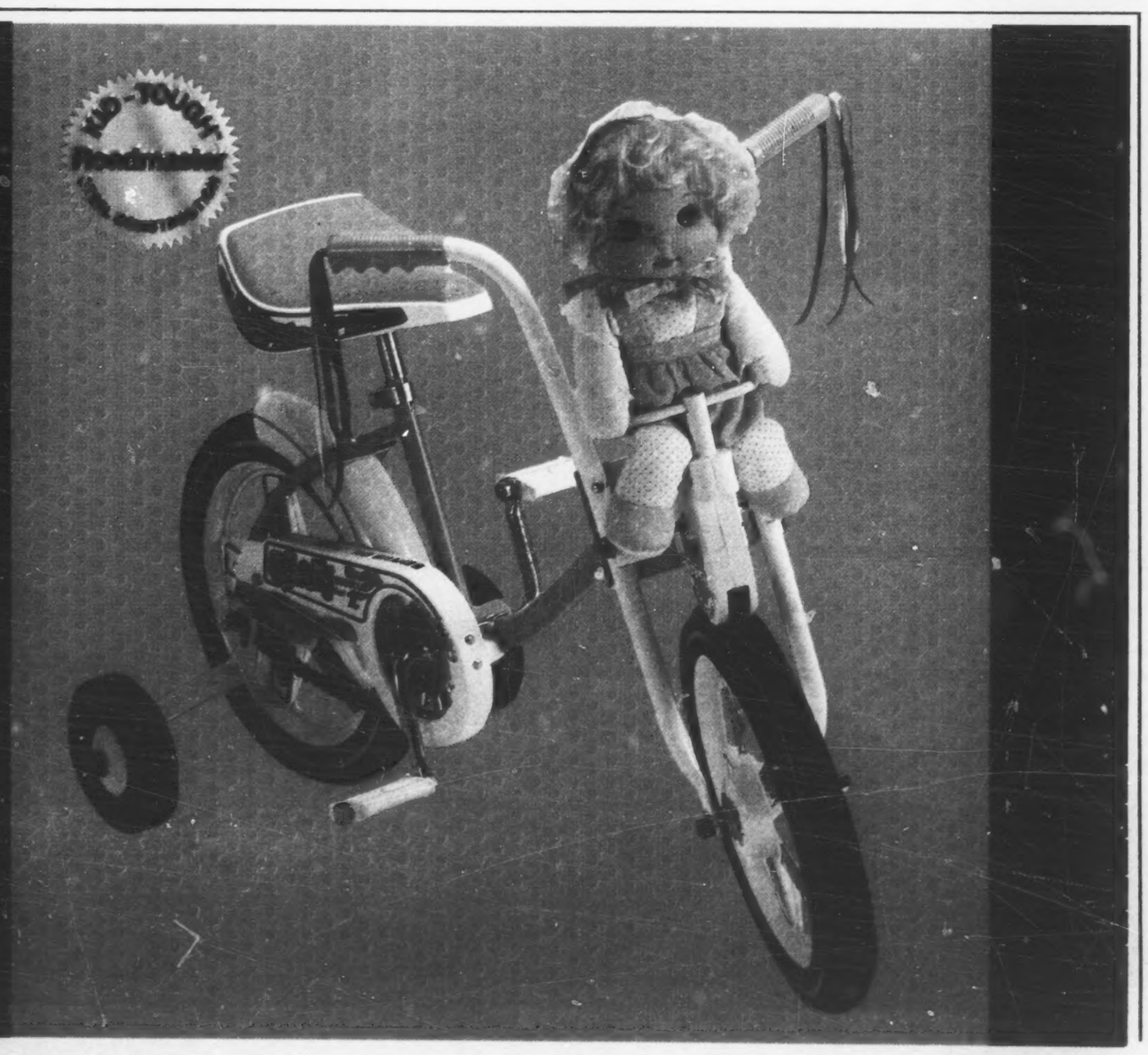


HOUSEWARES

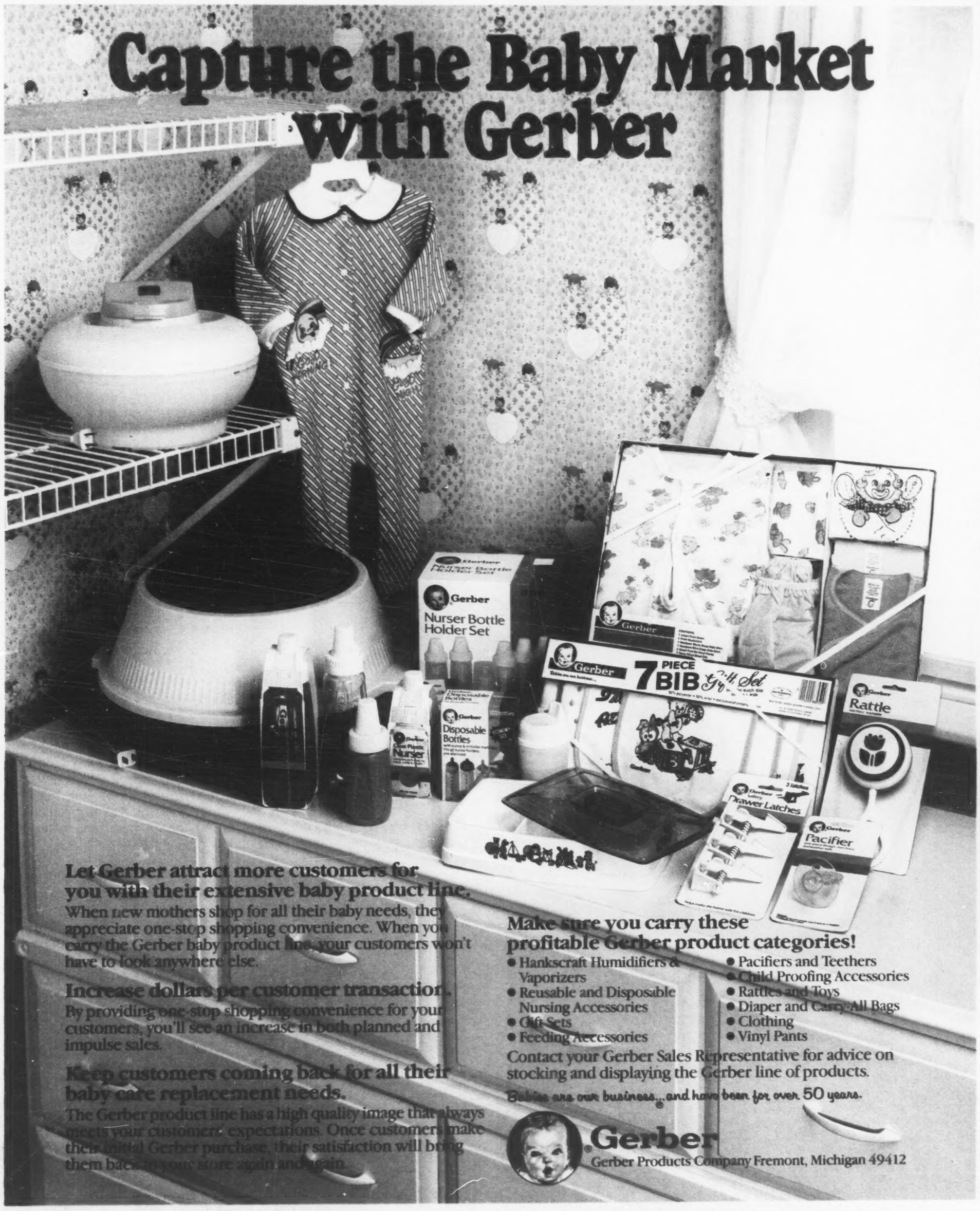
9th Annual PMA

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BATHSHOP*			
1	Magnolia M100 molded toilet st wht	8,043	9.44	75,925.92
2	Magnolia M3000A padded seat white	2,478	17.54	43,464.12
3	Magnolia M3000A padded seat brown	1,875	17.54	32,887.50
4	Magnolia M3000A padded seat blue	1,855	17.54	32,536.70
5	Selfix N443 portable shower spray	3,249	9.62	31,255.38
6	Selfix C441 shampoo spray	14,830	2.06	30,549.80
7	Ekco 38110 18" towel bar	11,408	2.42	27,607.36
8	Ekco 38170 24" towel bar	8,628	2.87	24,762.36
9	Selfix 2253 shower caddy	4,755	5.12	24,345.60
10	Ekco 38890 toilet tissue holder	9,834	2.33	22,913.22
11	Selfix 2251 shower caddy	7,171	3.14	22,516.94
12	Selfix 2110 twin hook	16,752	1.34	22,447.68
13	Magnolia M3000A padded seat gold	1,223	17.54	21,451.42
14	Ekco 38120 12" towel bar	9,536	2.24	21,360.64
15	Magnolia M200 Hi Rise toilet seat white	1,338	14.39	19,253.82
	CLEANING/CHEMICALS*			
1	3M FC4101 16-oz Scotch Guard	9,386	5.93	55,658.98
2	Johnson 339 Lemon Pledge 14 oz	14,865	3.14	46,676.10
3	Texize 271 Fantastik 32 oz	12,180	2.51	30,571.80
4	Drackett 293 Endust 10 oz	8,567	3.50	29,984.50
5	Drackett 159 Vanish Automatic 12 oz	13,368	2.15	28,741.20
6	Johnson 327 wood Pledge 14 oz	8,856	3.14	27,807.84
7	Drackett 156 Vanish 48 oz	11,019	2.51	27,657.69
8	Johnson 182 Future 27 oz	6,132	4.49	27,532.68
9	Scotts A14 Liquid Gold 14-oz aerosol	6,321	4.31	27,243.51
10	Johnson 334 Pledge 14 oz	7,968	3.14	25,019.52
11	Murphys oil soap 1 lb	10,764	2.24	24,111.36
12	White Labs M-8 X-14 mldw rmvr 16 oz	7,040	3.14	22,105.60
13	Drackett 154 Vanish Auto green 12 oz	10,272	2.15	22,084.80
14	Scotts P16 Liquid Gold 16-oz pourable	5,160	4.22	21,775.20
15	Drackett 127 Windex + sprayer 22 oz	7,928	2.69	21,326.32

Source: HalMar Distributors, Holyoke, Mass., for calendar 1982, covering more than 500 stores, including 400 full-line discount stores from New England to the Carolinas.

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PLASTICS*			
1	Republic 156 freezette 1 qt	7,834	2.96	23,188.64
2	Vanderbilt 751 nylon baster	16,385	1.25	20,481.25
3	Republic 154 freezette 1 pt	6,443	2.96	19,071.28
4	Tucker T334 trash can 22 gal	2,028	8.99	18,231.72
5	Foley 25314 pastel nylon spatula	19,321	0.89	17,195.69
6	Deka SU510 Smurfs mug 10 oz	10,674	1.52	16,224.48
7	Loma 364 32-gal refuse cntnr locklid	1,316	12.32	16,213.12
8	Eagle E6244 SS 44-oz oblong saver	9,000	1.79	16,110.00
9	Tamor 7800/A large sweater box	2,608	6.11	15,934.88
10	Sterlite S2122 2-qt refrig bottle	9,252	1.61	14,895.72
11	Deka SU530 Smurfs tumbler 11 oz	11,832	1.25	14,790.00
12	Ekco 3747-2-489 spaghetti server	12,696	1.16	14,727.36
13	Eagle E4470 cold cut saver	5,653	2.60	14,697.80
14	Eagle E6242 22-oz oblong server	11,361	1.25	14,201.25
15	Arrow 081 dust pan	10,569	1.34	14,162.46
	RUBBERMAID*			
1	2965 Laundry basket	10,623	5.57	59,170.11
2	2882 Covered trash can 20 gal	3,726	14.39	53,617.14
3	2951 Dish pan choc	15,727	3.14	49,382.78
4	2864 Fliptop basket choc	5,982	8.09	48,394.38
5	2965 Laundry basket almond	8,402	5.57	46,799.14
6	2951 Dish pan almond	14,436	3.14	45,329.04
7	2965 Laundry basket gold	7,682	5.57	42,788.74
8	0450 Bath mat white	13,172	3.23	42,545.56
9	2951 Dish pan gold	12,839	3.14	40,314.46
10	2850 Basket liftlid choc	4,935	8.09	39,924.15
11	0450 Bath mat light blue	12,351	3.23	39,893.73
12	6032 Dish drainer choc	6,257	6.11	38,230.27
13	0450 Bath mat choc	11,489	3.23	37,109.47
14	6032 Drainer almond	5,863	6.11	35,822.93
15	2864 Fliptop basket almond	4,361	8.09	35,280.49

Average retail prices reflect typical price points for discount chains.
**Not included in the PMA for calendar 1981.*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PMA®
PRODUCT MOVEMENT AUDIT

Plus Biz

(Continued from page 31)

giftware.

Another new 4-ft. section planned for HalMar's customers is an area for tradeup bakeware, heavier-weight goods in a variety of substrates—steel, tin and aluminum—the majority with a SilverStone finish.

Manufacturers to be included in these new sections—which will be rolled out at the end of May—are Speko Products, Chicago Metallic Products and Wear-Ever Aluminum.

The Wear-Ever goods slated for the new bakeware section are their aluminum with SilverStone products. The company's newer entry, glass bakeware with SilverStone, is planned for a separate area.

Since the release of SilverStone on lighter-weight materials in bakeware, distributors and retailers have many more manufacturers to consider for their assortments. Nevertheless, the key manufacturer in the bakeware segment remains Ekco with its Baker's Secret line.

Cutlery is one classification many discounters are working on building. It's a category that's traditionally been "owned" by the department stores and neglected by discounters. That's going to change fast now with discounters expanding and trading up their cutlery assortments. This added attention could result in a noticeable gain in market share during 1983.

New Moves

Also giving the cutlery category a boost is the adjacency many chains are now using. Expanded cutlery sections are frequently being positioned next to woodenware, a category growing tremendously in such items as cutting boards, cheese boards and serving plates.

This type of woodenware—given its own 4-ft. section—is selling well at basic stock-type price points represented by companies such as Foley's Martens-Woodenware, and more decorative, higher-priced merchandise from companies like Julie Pomerantz.

The only woodenware items that have slowed down in sales are big, bulky merchandise like bread boxes. Here, it seems there's a direct correlation between an increase in microwave oven sales and the decrease in bulky, wooden item sales. Consumers have apparently chosen microwave ovens as the priority item where kitchen countertop space is at a premium.

Microwave cookware in New England is slowly and steadily growing stronger. Results of the Product Movement Audit for 1982 showed the two strongest manufacturers in this area are Corning and Anchor Hocking.

Since sales results on the strong microwave program just rolled out by Rubbermaid aren't in yet, any shuffling in the microwave cookware segment has yet to be determined.

ELECTRIC HOUSEWARES

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Styler/Dryer Mix Fattens, Bucks Trend

By HOWARD BOBROFF
President,
Stem-Nickman Distributing

With the economy moving out of the doldrums, and consumers easing up their tight hold on pursestrings, electrics buyers shouldn't be lulled into thinking they can back away from some of their price promoting plans.

It's still going to take a sharp pencil to move merchandise in this highly competitive, price-sensitive area. The encouraging economic news should, however, help discounters move more traffic electrics units, when they're promoted at the right price.

In the personal care electrics category, a couple of trends that took shape during the last half of 1982 are expected to continue this year.

Rising Trend

One of them is the growing importance of curling wands and brushes with a full-sized barrel. Many in the industry—including manufacturers and retailers—read women's hairstyling trends all wrong at the beginning of last year. They expected bigger volume on the smaller barrels, thinking the style trend was to smaller curls. Some inventory shifting to the larger barrels was necessary in the second half of the year; the larger barrels show no signs of let-up in 1983.

One exception has been the continuing popularity of Windmere's Skinni Mini, No. 4 among the top 15 sellers on calendar 1982's Product Movement Audit for the curling wands/brushes category.

Another item—one that's somewhat unique in this category—is the Gillette Clicker, which continues to be a volume item.

In styler/dryers the tonnage business has moved into the full-size pro-models with 1,200 to 1,500 watts. That period in which the turbos and travel-size items were the strongest has passed.

Continuing strength in the entire styler/dryer category, plus the addition of strong new entries like Norelco's Chic line, have led many chains to re-evaluate their listings. The result has been, in several cases, the decision to carry a broader assortment, contrary to the sku cutbacks that have been taking place in many electrics categories.

Norelco's Chic merchandise, a relatively new arrival on most shelves, has been selling well during the first quarter of 1983.

(Continued on page 34)

BLENDERS

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	—	Waring BL590 7 speed	4,223	23.78	100,422.94
2	1	Hamilton Beach 600 7-speed almn	4,039	23.18	93,624.02
3	3	Oster 890-16 10-speed almn	3,187	28.51	90,861.37
4	2	Hmltn Bch 651 14-spd bindr/pls almn	1,776	30.49	54,150.24
5	—	Hamilton Beach 640G 14 speed	1,086	34.04	36,967.44

HAND MIXERS

1	—	Hamilton Beach 97 almond	5,518	13.48	74,382.64
2	—	Waring HM111-8 5-speed almond	4,854	12.95	62,859.30
3	3	Waring HM12-8 12-speed almond	2,587	17.16	44,392.92
4	1	Sunbeam 3-76/3-71 almond/white	1,320	26.03	34,359.60
5	—	Sunbeam 3-16	1,428	14.40	20,563.20

SLOW COOKERS

1	2	Rival 3150 Crock Pot 3½ qt	3,806	24.28	92,409.68
2	3	Rival 3350H Crock Pot 5 qt	2,803	30.01	84,118.03
3	1	Rival 3100 Crock Pot 3-qt almond	5,701	14.28	81,410.88
4	—	Rival 3355MB Crock removable	3,422	23.23	79,561.50
5	—	Struhl 2306/2306X almnm ht pt asst	15,929	4.81	76,618.49

DRIP COFFEEMAKERS

1	1	Proctor Silex 415 AL/A301 10 cup	10,631	21.70	230,692.70
2	2	Norelco 5185 10 cup	4,869	25.58	124,549.02
3	4	Hamilton Beach 791 12 cup	3,816	21.69	82,769.04
4	—	Hamilton Beach 784 mini	4,279	16.55	70,817.45
5	—	North American CM1/CMiZ 10 cup	2,332	28.49	66,438.68

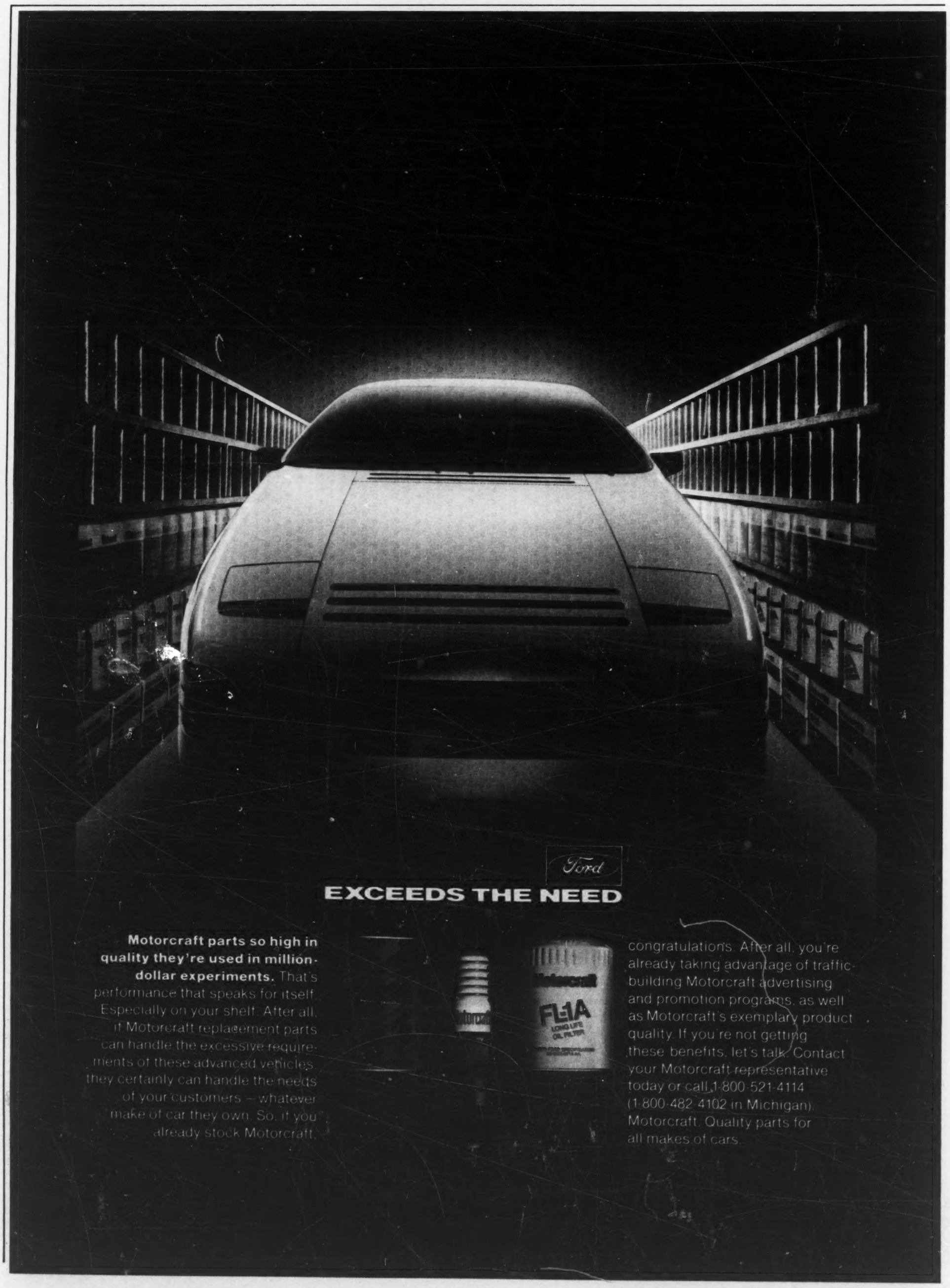
TOASTERS & OVENS

1	—	Toastmaster B700 toaster blk end	12,037	12.76	153,592.12
2	4	Proctor Silex T522B toaster 4 slice	5,872	22.08	129,653.76
3	5	Proctor Silex T220AL toaster 2 slice	7,590	14.78	112,180.20
4	3	Toastmaster 5244 dlx slf-cln ovn	1,740	55.88	97,231.20
5	1	Proctor Silex T620B toaster 2 slice	6,819	13.00	88,647.00

FOOD PREPARATION

1	2	Hamilton Beach 702/707 fd prcsr almn	3,341	49.19	164,343.79
2	—	Sunbeam 14-56 food processor almn	1,517	43.25	65,610.25
3	—	Sunbeam I-78 delxe stand mixer	522	74.80	39,045.60
4	5	Waring HS15-8/3/9 stnd mxr 12 sp	994	26.08	25,923.52
5	—	Hmltn Bch 34KAL stnd mxr 9-spd s/s bl	562	43.50	24,447.00

(Continued on page 34)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ELECTRIC HOUSEWARES

9th Annual PMA

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
STYLER/DRYERS					
1	—	Conair 091 Pro 1500-wtt w/attchmnt	3,354	22.49	75,431.46
2	—	Sassoon VS210 prof md sz stlr	5,554	12.43	69,036.22
3	—	Conair 084 Mini Pro 1250-wtts	5,313	11.65	61,896.45
4	9	Northern 1881 Pro blwr/drr 1200-wtts ...	5,655	10.49	59,320.95
5	—	Dazey HD61 Hard Hat hair dryer	1,283	42.70	54,784.10
6	14	Windmere B12T Pro drr bss 1250-wtts ..	3,853	12.06	46,467.18
7	1	Shetland 3051 Visa 1200-watts	5,614	8.20	46,034.80
8	13	Northern 1871 fld mn 1200-wtts	3,589	10.23	36,715.47
9	—	Clairol CH-1Z Dry Guy stlr/drr	1,783	19.03	33,930.49
10	—	Windmere DD1 Dynamic Duo	2,627	11.26	29,580.02
CURLING WANDS & BRUSHES					
1	—	Conair CB200 New Twist combo	6,571	11.33	74,449.43
2	3	Conair BC-10X curling brush	8,257	8.56	70,679.92
3	4	Gillette 2620 clicker	3,159	20.79	65,675.61
4	—	Windmere SM1 Skinni Mini	11,143	5.11	56,940.73
5	10	Conair CD11 Curls N Curls iron	9,968	5.10	50,836.80
6	9	Norelco CCI14/HB1600 Curl Q Mist	3,653	10.53	38,466.09
7	2	Shetland 6001 curling brush	6,499	5.73	37,239.27
8	12	Northern 2334-2 Pro chrm irn	6,113	5.08	31,054.04
9	—	Windmere HCB1 hot crlng brsh	3,275	7.28	23,842.00
10	—	Windmere RBB1 Aber Curl Dabra	1,715	11.90	20,408.50
SPECIALTY ELECTRICS					
1	1	Wear-Ever 73000 popcorn pumper	9,433	22.04	207,903.32
2	2	Presto 04810/PN-1 Popcorn Now	7,226	2.06	148,855.60
3	—	Hamilton Beach 275AL knf hl in hndl	4,487	18.23	81,798.01
4	—	Dazey Sam 3 vacuum Seal-A-Meal	2,147	31.98	68,661.06
5	6	Rival 840 ice crusher almond	3,056	18.15	55,466.40
6	—	Presto 01250 6-qt prssr ckr alnmm	1,700	31.23	53,091.00
7	—	Munsey BW-2 Belgian Waffler	1,582	24.41	38,616.62
8	7	West Bend 25467 Butter Matic 4 qt	2,446	14.59	35,687.14
9	3	Northern 8453-2 ice cream freezer	2,336	15.13	35,343.68
10	—	Presto 05000 caramel corner	1,052	30.41	31,991.32
IRONS					
1	1	Sunbeam 11-19 steam & dry prom	9,508	16.85	160,209.80
2	5	Proctor I1300 light steam/dry	9,548	16.51	157,637.48
3	—	Hamilton Beach 745S stm/dr SlvrStn ...	2,396	23.46	56,210.16
4	2	Sunbeam 11-386/1-171 Shot of steam ..	2,089	26.49	55,337.61
5	6	Struhl 2319 travel	4,978	6.39	31,809.42
CAN OPENERS					
1	1	Rival 781 almond	9,375	12.34	115,687.50
2	3	Rival 740AL w/knife sharpener	5,894	16.26	95,836.44
3	—	Waring C01-8 almond	6,449	12.11	78,097.39
4	2	Rival 782 w/sharpener almond	4,993	13.85	69,153.05
5	4	Rival 782 w/sharpener gold	2,823	10.06	38,459.38

Source: Stem-Nickman Distributing, a division of Cook United, Maple Heights, Ohio, for calendar 1982, covering 900 stores, including 125 discount stores in the Midwest.

Kitchen electrics are part of discounters' efforts to reach more affluent customers. Bradlees, Union, N.J., stocks Cuisinart DLC-7 and DLC-8 food processors. *(DSN photo)*

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
AIR CLEANERS*				
1	Norelco HB1900 clean air machine	7,694	19.83	152,572.02
2	Pollenex 699 pure air machine	4,389	23.43	102,834.27
3	Conair E-1 clean air/air purifier	4,198	13.60	57,092.80
4	Norelco HB1920 clean air machine II	1,464	31.73	46,452.72
5	Norelco CAF2 clean air filter	7,820	2.65	20,723.00
FRY PANS*				
1	Betty-G CF53 5½-qt cooker fryer	9,843	19.13	188,296.59
2	West Bend 1440 skillet w/silverstone	2,862	35.09	100,427.58
3	West Bend 72129/72119 rockote fry pan	3,638	25.80	93,860.40
4	Hamilton Beach 2121 fry all	4,590	20.36	93,452.40
5	West Bend 72109 skillet/silverstone 11"	1,545	33.58	51,881.10

Average retail prices reflect typical price points for discount chains.
**Not included in PMA for calendar 1981.*

PMA®

PRODUCT MOVEMENT AUDIT

Styler/Dryer

(Continued from page 33)

Items from the line will probably be showing up among the top 15 in the hair care electrics categories in subsequent PMA listings.

On the still hotly debated subject of rebates, one area where they will remain heavily used during 1983 is personal care electrics, where there's a big market share struggle going on among several of the top branded manufacturers.

Changes are also taking place in kitchen electrics categories. There are industry estimates that 22.5% of the business in coffeemakers came from automatic perk units plus another 7.4% in urns, in 1981, the latest year for which estimates are available. More and more discounters are beginning to notice these numbers and beef-up their electric percolator assortments.

Adding It Up

Even though 30% of the business, according to these figures, came from the perks, discounters don't need a corresponding 30% of their unit assortment in perks and urns. Still, consumers evidently want percolators. In nonelectric models Gemco has been a strong seller; Corning just went back into the item.

Successful percolator items on Stem-Nickman's listing include: the Regal Poly Perk, West Bend's #9466, a polished nine-cup model, and West Bend's #58030 urn. A new stainless steel percolator, introduced last year by Dazey, has been selling well even though it's in the $40 retail area.

Automatic drip coffeemakers still remain a tonnage category in kitchen electrics with more dollar volume from them as customers continue to replace their old coffeemakers with tradeup units—models with larger capacity and timer features.

The PMA for 1982 showed Proctor-Silex's 10-cup model as, by far, the biggest sller in the category. Still, the 1982 PMA showed that four of the eight top sellers were in 12-cup models.

A Closer Look

An electrics category buyers are taking another look at is steam irons, a major category second only to all coffeemakers—automatic drips and perks—in unit sales.

Inventory assortments for 1983 are being planned, taking into account the increase in irons with SilverStone soleplates available and iron usage features. The latter means scrutiny of sku's stocked in irons in four major usage categories: dry irons, steam/dry irons, cold water spray irons, and blast of steam irons.

In re-evaluating the iron category, several discounters are finding that they—and many manufacturers—have missed offering irons with the cold water spray feature which many customers want.

C.P.S.C. Seeks Warning Labels

WASHINGTON—Dropside mesh playpens and portable mesh cribs can pose a severe safety hazard if used with a side left down, the Consumer Product Safety Commission warned.

"When one side of the playpen or crib is down, the mesh forms a loose pocket leaving a gap between the floor board and the mesh side" that an "infant can roll into and suffocate," Federal product safety regulators said.

Based on C.P.S.C. figures since 1973, five deaths and two nonfatal accidents involving mesh-sided cribs and two deaths involving mesh-sided playpens have occurred.

While the commission isn't planning to recall the 6.5 million mesh playpens already sold by discount stores and other retail outlets, it is working with the Juvenile Manufacturers Association to ensure that future products will have adequate warning labels.

Warning labels are necessary because "parents and others are often unaware that an infant can become trapped between the loose mesh and floor board."

According to C.P.S.C. officials, playpen manufacturers "intend to put labels on new mesh-sided playpens similar to warnings which already appear on all mesh-sided cribs with drop sides produced since 1980."

The warning label for those cribs states: "Never leave infant in crib with SIDES DOWN. Infant may roll into space between mattress and loose mesh sides, causing suffocation."

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HARDWARE

PRODUCT MOVEMENT AUDIT

Lengthening Of Season Helps L&G

Special DSN Report

Despite lackluster sales in 1982, the hardware area is expected to chart an upturn this year, said Ray Fondran, vice president of merchandising for Stem Distributing in Maple Heights, Ohio.

Fondran said he bases his optimistic forecast on the performance he expects from key areas, like lawn and garden. Here, the evolution of a longer than normal selling season should boost sales. He noted that recently many retailers have started displaying seasonal items in early March, about 1½ months earlier than usual, partly because of more mild weather in northern states.

With industry studies showing that the majority of big-ticket lawn and garden supplies are gobbled up in northern suburban markets, Fondran said the mild weather in that part of the country should help the category even further.

While weather is the primary reason for his upbeat outlook, he also said hardware will still be heavily promoted during 1983, raising sales further. Also, the weak economy is still contributing to the number of consumers who now term themselves "do-it-yourselfers," he said, another strong segment of the market.

Fondran said the big mover last year in lawn and garden was a Temper shovel, which carried an average retail tag of $6.67. He said the shovel's popularity was based on consumers returning to basic instruments

(Continued on page 39)

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
POWER TOOLS					
1	1	Wen 943 7" Sander polisher	1,450	47.20	68,443.75
2	—	Wen 4500 AH Bench	646	57.24	36,978.75
3	8	Wen 2200 Drill cordless rev 3/8	764	44.13	33,716.25
4	—	Dremel 2401 Moto-tool kit W/ACC	842	32.42	27,293.75
5	4	Wen 919/PR19 3" Belt sander	473	47.05	22,253.75
6	—	Sabre MOE 2 Engine oil 2 cycle	13,392	1.27	16,958.75
7	10	Lenk 16/L25 25W Soldering iron	3,017	5.59	16,866.25
8	—	Dremel 2501 Moto kit/25 acces SG	421	38.58	16,232.50
9	—	Dremel 571 Moto-shop saw/sand co	247	61.06	15,082.50
10	—	SKOK WP745 7¼ Plywood blade	7,418	2.03	15,077.50
BLACK & DECKER					
1	4	9330 Dustbuster	4,654	30.51	142,003.74
2	2	7127 3/8 Drill var speed rev	4,599	24.58	113,030.00
3	1	7¼ Circular saw	3,184	33.15	105,542.50
4	—	8115 Hedge trimmer 13"	2,468	27.20	67,126.25
5	—	8201 Line trimmer 7" uti	3,440	16.81	57,811.25
6	5	7404 Sander dbl/ins	2,298	25.55	56,412.50
7	6	7504 Jig saw dble/insul	3,091	15.59	48,183.75
8	—	8124 Shrub/hedg trim dlx D	1,169	36.89	43,118.75
9	7	7190 3/8 Drill V/S rev-lock	1,203	34.95	42,045.00
10	8	7104 3/8 Drill dble/insul	2,308	18.11	41,795.00

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PAINT					
1	—	Lucite 50C gal house/trim white	30,051	14.60	438,771.31
2	—	Lucite 2386C-gal wall ceiling WH	11,372	12.18	138,521.43
3	—	Lucite 1699C GL int enml white	5,560	15.75	87,564.95
4	—	Lucite 2250C GL hous/trm s/gls W	4,232	15.57	65,901.51
5	—	Lucite 2329C-gal wall ant white	4,864	12.20	59,328.64
6	1	Formby 0013 32-oz furniture refini	6,714	8.29	55,677.04
7	—	Lucite 2360C-gal wall white	4,580	12.01	55,012.00
8	—	Lucite 1860C GL floor gull gray	3,348	13.31	44,559.04
9	—	Lucite 1800C GL ext enml white	2,592	16.06	41,621.44
10	—	Lucite 1861C GL floor slate gray	2,476	9.79	24,243.00
PAINT SUNDRIES					
1	1	40011 WD-40 Rust preventive 9 oz	105,283	1.86	196,029.39
2	2	Macco LN601S liquid nail adhesive	96,911	1.24	120,224.99
3	3	Thompson 101-01N gal water seal	9,512	10.80	102,824.39
4	—	Savo 01113 gal Kutzit	9,839	8.70	85,631.00
5	5	938-Tap-90 EZ 3 pc paint set	30,249	2.52	76,330.80
6	7	01103 Savo gal paste paint remover	7,236	9.73	70,383.60
7	6	40015 WD40 mult-use lub	21,888	2.47	53,975.60
8	4	025 Touch-N-Foam insulation spra	9,911	5.20	51,580.20
9	—	409-TTA-90 EZ 9 in twin pak cover	52,032	0.88	45,952.20
10	8	200BX Krazy glue .07 fl oz	40,532	1.04	42,053.19

(Continued on page 39)

Jan. Retail Orders For Hardware up

PHILADELPHIA—Retail orders for hardware products jumped 13% from December 1982 to January 1983, according to a survey by the National Wholesale Hardware Association.

January sales were also reported to be 2.1% higher this year than last.

The Great Lakes, Northeast and Southwest regions of the association all reported significant increases in their January sales. Hardware distributors, however, remain cautious, said the association, refusing to predict a rapid upswing in retail buying yet.

The association's sales index was introduced in early 1982 as a measure of hardware distributors' dollar sales to hardware stores, home centers, mass merchandisers and other retail hardware outlets. The index charts the distributors' average daily sales for the current month compared to the same month the previous year.

THE POWER IN JUST GOT

Introducing Stanley's New Workmaster™ Line of Sockets and Wrenches.

Stanley, the number one name in hand tools, has set another standard of excellence. The new Workmaster line of sockets and wrenches. It's one hundred percent Stanley quality, designed and made in America. And it's about to give you a powerful new way to tighten your grip on profits.

STANLEY VALUE COMES THROUGH AGAIN

Whether it's the shade tree mechanic or the experienced professional, every one of your customers looks for value. The Workmaster line of sockets and wrenches delivers it. With every size and style drive tool your customers ask for. ¼", ⅜" and ½" drive sockets. And the new patented Flip Drive™ ratchet, pioneered by Stanley for the simplest, most reliable one-handed direction change on the market.

You can get Stanley Workmaster sockets and drive tools in a full range of open stock and in 21 different sets, including sockets only, sockets and drive tools and specialty sets.

Workmaster wrenches put Stanley value right in your customers' hands. Designed for strength and durability, Stanley offers you 52 different wrenches in a full complement of styles, in both inch and metric sizes. All of them – Workmaster sockets and wrenches – priced and packaged to sell.

STANLEY GETS YOUR CUSTOMERS' ATTENTION

Stanley is going all-out to give you powerful support for the Workmaster line: aggressive national TV; supercharged print advertising; traffic building consumer promotions.

HARDWARE

9th Annual PMA

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PLUMBING					
1	—	ST5 40 NSRT 40 gal gas heater 5Y	1,745	144.97	252,977.74
2	1	1/2 M hard copper 10 ft. length	63,300	3.22	204,132.94
3	3	Mark II B grade toilet comb white	3,634	52.36	190,265.75
4	—	1320 20 gal galv sheet can w/lid	17,184	8.02	137,846.87
5	5	1/2 CPVC pipe 10 ft. length	31,961	2.12	67,907.52
6	6	560 U-Plm toil tank repair kit	12,674	5.27	66,751.20
7	8	PM3600 Flo plastic pump-pedistal	926	71.99	66,666.24
8	—	SS1000 Plaskol 3" shower stall	506	125.14	63,319.68
9	—	S2500A Flo sump pump-submers-aut	721	87.15	62,838.72
10	—	914K Mustee single laundry tub	2,629	20.24	53,203.68
HOME IMPROVEMENT					
1	10	10 x 25 Poly sheeting 4 mil clear	9,483	4.79	45,468.78
2	—	R0706/R3206 DX green grass 5 ft wd	17,571	2.32	40,825.98
3	11	2 ft x 4 ft x 1/8 Pegboard	30,821	1.23	37,816.92
4	5	8 x 50 Poly sheeting 4 mil clear	4,270	8.61	36,745.28
5	—	220 Hoyne clear mirror tile	5,274	6.29	33,187.26
6	—	R0706 beige/brown grass 6 ft width	13,572	2.40	32,614.94
7	7	6 x 50 Poly sheeting mil clear	4,980	6.51	32,435.36
8	—	R0706 green/black grass 6 ft width	13,112	2.41	31,588.56
9	—	W6-6 ft Wood step ladder	1,168	26.50	30,950.54
10	—	10 BC Kidde fireaway extinguish	3,720	8.17	30,384.06

(Continued on page 41)

Power tools will continue to be a strong seller in 1983 because of holiday gift-giving promotions. At Maxway, Manchester, Ga., a year-round display lets the consumer sample the item before purchase. *(DSN photo)*

PMA®
PRODUCT MOVEMENT AUDIT

L&G

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for their gardens.

"When the economy gets tight people take a closer look at what they spend their dollars on. That usually means they go back to the basic items," he said.

Fondran believes this austerity led to diminished sales of lawn trimmers, which was still a popular category in 1981. He said trimmers are still selling, but that the market was "too saturated" for the item to appear as a top seller on the Product Movement Audit.

The wholesaler reiterated the importance of promotions and rebates in moving inventory. Last year, for the second year in a row, Stem-Nickman put together a flyer for one of its customers and supplied it with all the goods advertised. A newspaper-distributed insert, it contained about 70 sku's of home improvement and tools. Fondran said the flyer campaign would probably be continued this year and may spread to other retailers.

Another Consideration

He said the attraction of home improvement items is that retailers can garner margins of 40% and 50%. He said weather was a factor to be reckoned with in this category also. In this case, the mild winter had an adverse impact on volume. He said items like weatherstripping and insulation suffered because when the mercury rises "who thinks of insulating the house?"

A growing item for Stem-Nickman, said Fondran, has been imported tools. He said the company's full-line of imports is attractive to retailers because of the lower tickets and higher margins.

A top seller in the import cat-

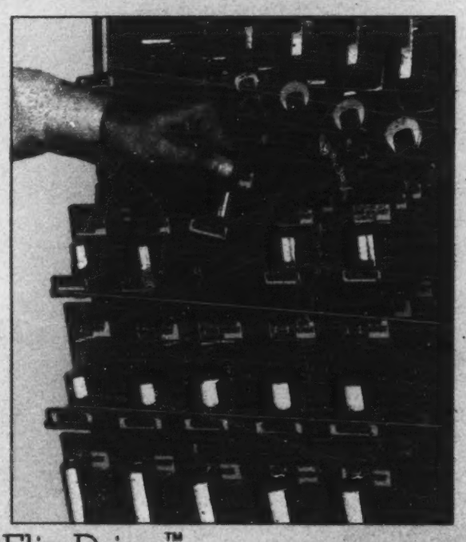
(Continued on page 41)

HAND TOOLS STRONGER.

MAJOR INNOVATIONS IN MERCHANDISING AND PACKAGING

Once customers are in your store, they'll see a merchandising display that's an industry breakthrough, built on a concept developed and patented by Stanley. It features dynamic new packaging that lets customers see, even feel, the quality of each Workmaster product, while it practically eliminates pilferage.

These brand new display units are flexible enough to create any size merchandising center. They set up quickly and give you return-per-square-foot no pegboard wall can match.



The Workmaster line is a new standard of excellence. From the simplest wrench to the Flip Drive™ ratchet to complete innovation in merchandising and packaging, it's designed to help you sell.

Find out more about it. Call your local Stanley representative. Or write: Stanley Tools, Division of The Stanley Works, P. O. Box 3000, New Britain, CT 06050.

STANLEY®
helps you do things right.

Appliance Biz Hurt By Air-Conditioners

CHICAGO—February shipments of most major appliances continued above those of last year, even though total shipments were 3.9% lower than February 1982, according to the Association of Home Appliance Manufacturers.

The decrease in total shipments was primarily blamed on room air-conditioners, where shipments were down 232,000 units or 64.4%. Room air-conditioner units were the lowest in February since the same month in 1962. The slowdown was tagged to an inventory carryover from last year's unseasonably cool summer.

Total major appliance shipments, excluding room air-conditioners, were up 7.7% for February and 14.1% for the first two months of the year, according to association data.

Products showing strong movement were waste disposers, up 28%; electric ranges, up 27.4%, and dishwashers, up 24.8%.

HARDWARE

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PRODUCT MOVEMENT AUDIT

L&G

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egory was a 40-piece socket set, which had an average retail tag of $9.02. Fondran said his firm has been pushing the line with truckload sales and various special promotions. Wrench and socket sets and stationary tools are the leaders in this category, mostly because of their gift appeal, he noted.

Sales of Black & Decker products reflected that line's gift appeal.

A perfect example, he said, was the Dustbuster, which jumped from fourth place on 1981's chart to No. 1 last year. The average retail price remained about the same: $30.35 in 1981 and $30.01 in 1982.

Besides the Dustbuster, a small vacuum cleaner used to clean up small messes, other items like a circular saw and a ⅜ variable speed drill were also strong achievers.

In paints, Fondran said the arrival of the Du Pont line to his warehouse has strengthened the category. He noted 1982 was the first year Du Pont sold its Lucite line through a middleman. He forecast the line would become his top paint mover for years to come.

One reason for the popularity, he added, was the manufacturer's ongoing consumer rebate program, this year $3 off on a gallon of paint. He said the quality associated with the product's name, along with the rebate program, were the chief reasons Lucite captured all but one of the top 15 slots on the Product Movement Audit.

The rebate program is expected to continue through 1983, and therefore Fondran said brisk sales should continue through this period.

Roll 'em

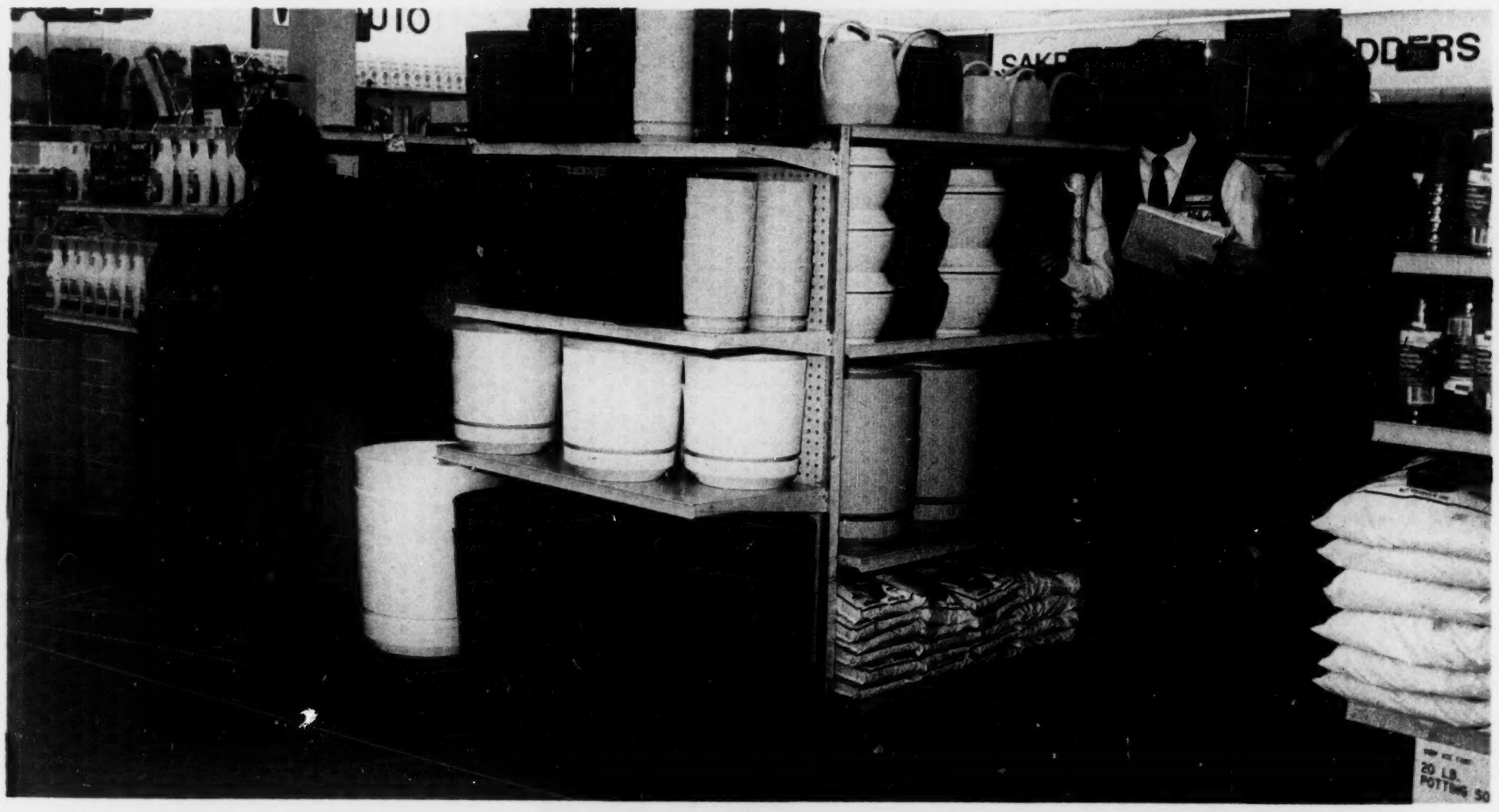
A mild winter in the East is expected to extend this year's lawn and garden season. At Maxway, Manchester, Ga., items were already on display at the beginning of March. *(DSN photo)*

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
ELECTRICAL					
1	1	12/2 NM Romex w/grd 250 ft. per B	11,503	31.76	365,321.95
2	2	SL-1K Flor shop lit comp 40W-48I	7,104	15.57	110,612.31
3	8	34256 Norelco mercury vapor light	2,186	46.73	102,149.11
4	11	12/2 UF w/grd 250 ft. per box	2,045	45.20	92,442.00
5	4	50 ft. 12/2 Romex w/ground boxed	9,528	9.13	86,997.72
6	7	1/2 Conduit 10-ft. length	43,840	1.95	85,698.41
7	—	1215IV/270V grd duplex receptacl	92,280	0.58	53,756.93
8	5	DR600RS Lutron UL rotary dimmer	13,540	3.82	51,734.86
9	—	100 ft. 12/2 Romex w/ground boxed	2,391	18.58	44,428.96
10	—	206/43580 18/2 BRN cord-ext ind	45,732	0.88	40,086.59
11	—	1215 BR/270B GRD duplex receptacl	67,581	0.59	39,545.57
12	—	107/471 2¼ Bevel old work box	45,296	0.80	36,262.53
13	9	AP15X Flor U/cab fix W/D dutl	4,967	6.90	34,278.80
14	—	306/43586 6 ft. 18/2 white cord-E	36,426	0.88	32,947.15
15	6	U100 Aliance tena-rotor automt	542	58.72	31,823.62
HAND TOOLS					
1	2	TX9 Bernz fuel cyl	35,147	2.85	100,332.93
2	3	UL100 Bernz propane blow torch	8,557	10.67	91,321.671
3	1	T50 Arrow staple gun chrome	4,661	16.84	78,500.43
4	—	MP9 Bernz medina fuel cylnder	28,992	2.50	72,185.70
5	8	K110 USM multi-head rivet tool	8,435	7.93	66,867.80
6	6	8200PK Weller 100/140W soldergun	3,162	21.02	66,463.10
7	5	33-425/PL 425 stan tape PWRLOK 25	5,221	11.85	61,859.46
8	12	JT25 Bernz torch kit plastic box	2,540	22.39	56,875.26
9	7	33-116PL 316 Stan tape PWRLOK 16	4,552	10.02	45,604.72
10	11	10-099/99 Stan utility knife	13,861	3.07	42,554.56
11	9	33-212/PL12 Stan 12 ft. Powrlok TA	6,444	6.37	41,023.80
12	—	SB 201-4 Screwball driver w/socket	2,616	14.90	38,973.32
13	4	OX-2500 Bernz tote torch kit	973	38.87	37,816.02
14	—	215G Petersen 5 WR/10WR gift set	3,290	11.33	37,286.36
15	—	203 USM electric glue gun	4,000	9.05	36,184.44

Source: Stem-Nickman Distributing, a division of Cook United, Maple Heights, Ohio, for calendar 1982, covering 900 stores, including 125 discount stores in the Midwest.

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
ROYAL TOOLS*				
1	931 6 pc rubber grip S D S	4,940	2.65	13,068.00
2	404 6½" L N pliers	4,536	2.64	11,968.50
3	180 10 pc drill set	8,005	1.49	11,896.50
4	500 16 oz tubular st hammer	4,102	2.65	10,872.00
5	129 hex key set 18 pc	3,368	2.64	8,887.50
6	13 pc chr van drill set	3,317	2.65	8,779.50
7	92240 5 pc o e wrench set ch	3,299	2.63	8,691.00
8	409 6½ diagonal pliers	3,292	2.64	8,686.50
9	133 8" chrome adj wrench	3,180	2.62	8,340.00
10	688 8" slip joint pliers	3,067	2.64	8,094.00
11	420 7" linesman pliers	3,011	2.64	7,942.50
12	92241 5 pc comb wrench set c	2,948	2.67	7,878.00
13	922 2-pc rub grip screw dr	4,738	1.49	7,050.00
14	473 6" slip joint pliers	4,639	1.49	6,891.00
15	166 10-ft steel meas tape	2,440	2.62	6,391.50
IMPORTS*				
1	T440 TNT/SLS 40 pc socket set	25,954	9.02	234,199.50
2	DP3MJ 3S pd 8" drill press	1,735	101.83	176,683.48
3	T1150/T1151 2 ton hyd floor jack	2,520	56.38	142,069.49
4	T221/02-248 21 pc ¼ & ⅜ sckt	21,431	5.45	116,797.49
5	B-6CB/B-6-L tab 6" bench grinder	2,490	42.02	104,629.49
6	HVMBS – 4.5 tab metal cut bnd sw	356	248.07	88,312.50
7	MP2T/101A 2 ton cable hoist pulley	4,865	17.73	86,271.00
8	104A200-22 S/B 22 gal air compressor	171	488.00	83,449.50
9	BDM-58-5-S tab drill press 5 speed	356	170.00	60,667.50
10	834/RC121 tab ½ DR pistol grip	1,220	49.44	60,316.50
11	T40 INT/SLS 4" bench vise	4,327	13.19	57,090.00
12	FDM 58-125 tab drill press 12 spd	224	252.54	56,569.50
13	338-R Tab ⅜ dr reversible ratch	1,007	49.29	49,638.00
14	T400/40TD 40 pc tap & die set sae	3,583	13.54	48,528.00
15	964/DAS3 tab dual action sander	897	45.69	40,987.50

Average retail prices reflect typical price points for discount chains.
**Not included in PMA for calendar 1981.*



How to maximize your profits in planterware sales

STRATEGY NO. 1

Stock 40 or 50 SKU's of the fastest-selling decorator plastic planters to maximize your profit yield per foot. Match your merchandise to your customers; continually weed out slow sellers, and add new sizes, styles, and colors, to achieve the optimum product mix for your store. Keep in mind that the average number of plastic planters per household has increased 230% over the past 7 years, and will continue to increase.

STRATEGY NO. 2

Stock more of the larger size plastic planters. Research shows that large containers have grown in sales more than the medium and small sizes because 77% of plant owners buy new planters for repotting plants that have outgrown their present containers.

STRATEGY NO. 3

Buy Garden Scene® planterware from the one company that helps you sell-through. Duraco Products supplies you with more than a full line of quality planterware. We stand behind you with new market research statistics, and the commitment to increase your bottom line profits.

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Write or call for our full line brochure, and for more ideas on marketing Garden Scene® planterware.

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CONSUMER ELECTRONICS

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Telephones Become the Hot Line

Special DSN Report

If 1982 marked the onslaught of video games and personal computers, many believe 1983 belongs to the telephone.

Ma Bell is finally in the marketplace on her own—surrounded by insurgent retailers who want to capture her business. No more monopoly; no more protective layers of insulation from competition.

"Telephones have become very important—they're very, very hot," says Helen Henley, CE buyer for Stem-Nickman, a division of Ohio-based Cook United. She explains that video games remain strong and the personal computer market is still growing, but discount chain CE buyers are talking enthusiastically about phones.

While the 1982 Product Movement Audit figures don't really reflect this new-found love, Henley believes the flood gates will open in the third or fourth quarter, continuing into next year.

At least one industry survey supports her contention. Total sales of private consumer telephones are expected to reach $660 million this year and top $800 million by 1985.

The Reason Why

But, with the new market come new problems and uncertainties. Until recently, discount chains weren't sure that initial sales would be very large, so they weren't very aggressive. As a result, consumer electronics buyers have just begun to make a stronger commitment to telephones, albeit the more basic models.

"It's going to take consumer education for some time," Henley says. "People aren't yet confident that they can bring an unfamiliar phone into their homes and that it will work."

Henley predicts an even greater upsurge for wall phones, at least in the short-term. ITT's PC2554 Touch Tone wall unit captured the distributor's top slot last year with 1,536 moved, a 6.4% gain over 1981's leader. But, overall there was a 31% increase in movement among the top 10 selling telephones.

Six of the top 10 for 1982 were in the category of basic desk or wall models. Henley says consumers are buying those first to replace their existing home telephones.

"The more sophisticated ones—the ones with the gadgets—will probably be purchased primarily as gifts," Henley says. "But for personal purchases, they're going to stick with the basics for a while."

Beyond the basics is a glittering array of cordless, auto-dial and clock-radio telephones—to name just a few. Of them all,

(Continued on page 43)

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COMPUTERS/VIDEO GAMES/PERIPHERALS			
1	879001 Atari CX 2600 Video Computer System	29,128	161.35	4,699,808
2	908001 Mattel 2609/5872 Intellivision	4,313	270.90	1,168,392
3	925001 Atari 800 Personal Computer System	1,442	773.80	1,115,819
4	932001 Commodore VIC 20 Home Computer	2,647	220.47	583,601
5	925002 Atari 810 Disk Drive	804	519.78	417,904
6	925039 Atari A400 Basic Computer	894	350.11	313,001
7	879031 Atari CX40 Joystick Controller	27,935	8.25	230,670
8	925040 Atari 410/1010 Program Recorder	1,651	87.19	143,956
9	932002 Commodore VIC 1530/C2N Datassette	1,390	74.62	103,722
10	939001 Wico 15-9714 Joystick	3,105	23.27	72,263
	TELEPHONES/ACCESSORIES			
1	ITT PC 2554 Wall Phone Touch Tone—White	1,536	53.92	82,836
2	ITT PC 2500 Basic Desk Touch Tone—Beige	1,422	53.04	75,423
3	GTE 72443/70421 Solitary II/IV AL/B	2,066	29.92	61,823
4	GTE 89422 Flip Phone II Brown	956	48.29	46,166
5	GTE 89421 Flip Phone II Almond	925	48.21	44,594
6	Extend-A-Phone EX3000 700 ft 1W RDMU	244	141.80	36,601
7	ITT PC500 Basic Desk Model—White	1,157	29.24	33,827
8	ITT PC500 Basic Desk Model—Beige	1,098	29.35	32,235
9	ITT PC230 Dial-in-Handset Touch Tone—White	523	52.53	27,473
10	Electra FF3500 Freedom Phone—Pocket Size	112	213.99	23,967

(Continued on page 43)

Rogers, Morton Shores, Mich., makes a three-pronged showroom display effort by showcasing stereo components with storage cabinets; locking more specialized equipment, VCR's, personal computers and video cameras behind glass, and shelf-displaying TVs and stereos. *(DSN photo)*

Four-sided display module prompts shoppers to test video games at the front of this Jefferson Ward store in North Miami Beach, Fla. *(DSN photo)*

Many discounters find computer peripherals are beginning to take on a life of their own. A widening market has, in some instances, led to separate displays, as in Gold Circle, Buffalo. *(DSN photo)*

Lucky Dividend

DUBLIN, Calif.—Lucky Stores recently announced a 29¢ per share cash dividend on its common stock, payable April 3 to shareholders of record March 14.

The company also declared its regular preferred dividend, payable April 1 to shareholders of record as of March 15.

BUSINESS

You'll get more than you bargained for.

We've changed. This year, we're offering you more reasons to sell Scotch® Videocassettes than ever before. We'll work with you in some areas that you might find totally unexpected:

Pricing: You'll find us more competitive and responsively priced than ever before.

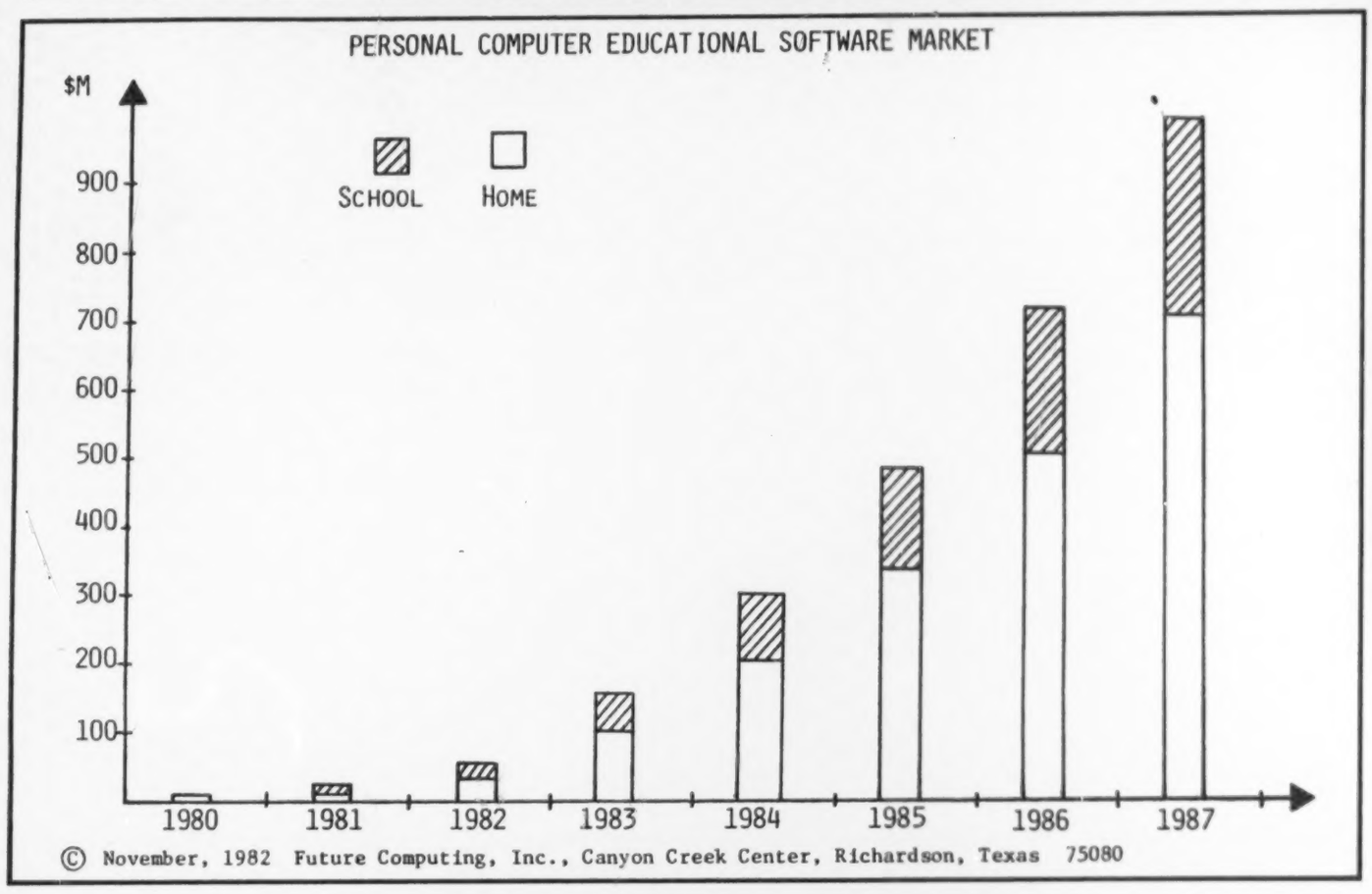
Terms: New extended terms that may be the best you'll find. Anywhere.

Programs for you: Co-op allowances and other sales support for you to build traffic in your stores.

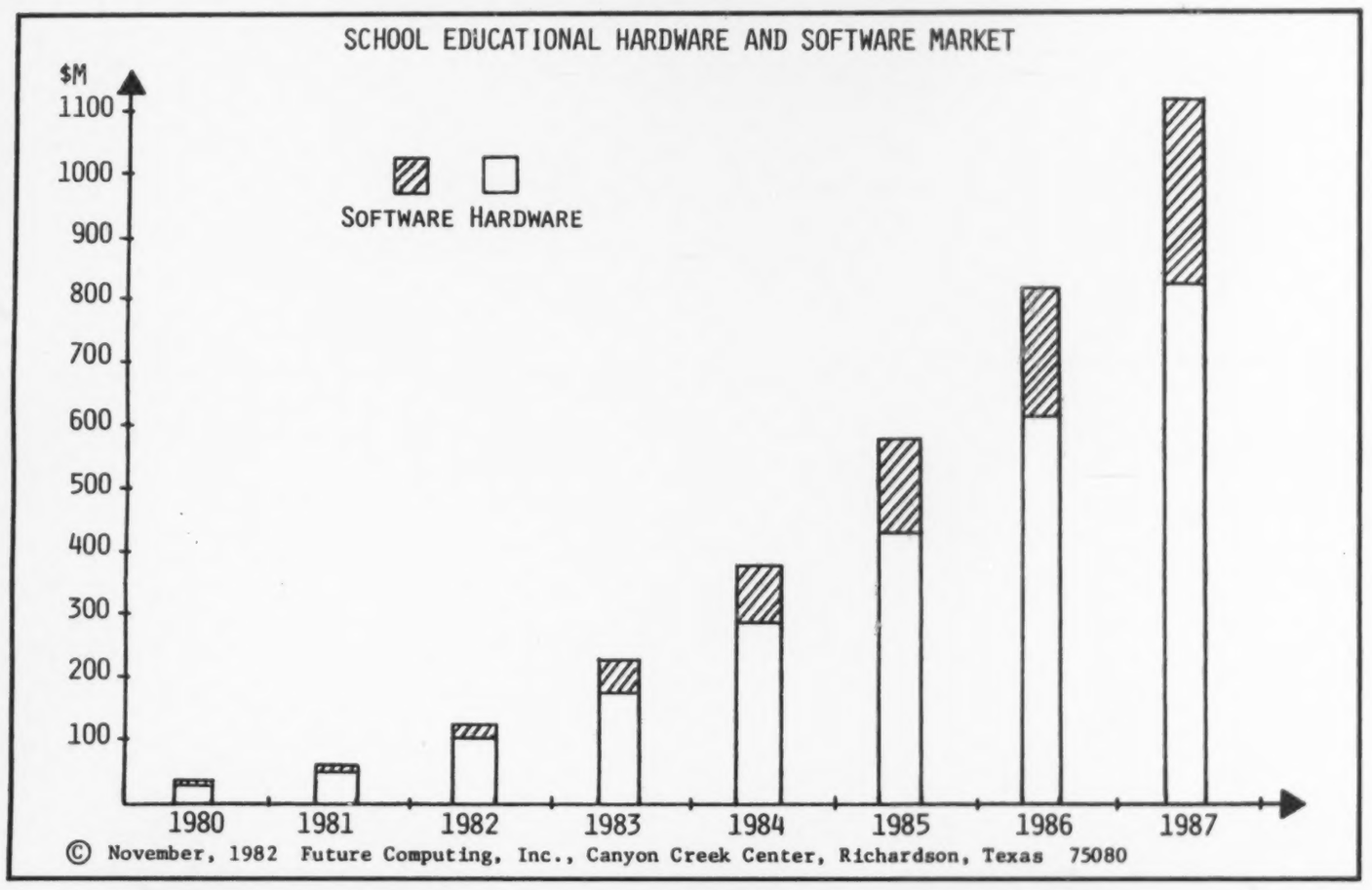
Consumer Promotions: Like our current $2.00 Rebate. We've been a leader in promotions that keep your customers coming back, while you keep your price points and profits.

CONSUMER ELECTRONICS

9th Annual PMA



Gold Circle uses locked glass cases with carpeted tops to display and store radios in its new Buffalo stores. *(DSN photo)*



1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CALCULATORS			
1	Sharp EL 220/EL 200B Digital w/Memory, Sq Rt	10,328	6.34	65,499
2	Sharp EL 509 Scientific	3,742	16.86	63,100
3	Sharp EL 326 Solar Calculator	3,253	13.96	45,432
4	Sharp EL 323 Key Memory LCD	4,122	9.18	37,834
5	Sharp EL 824 Credit Card Calculator	3,537	9.60	33,948
6	Sharp EL 8180 Hand Held Printer	1,135	28.44	32,274
7	NSC NS99 LCD 8-digit w/Memory, case & btty	1,312	5.36	7,044
8	NSC 105 Thin 8-digit LCD Calculator	1,073	6.33	6,791
9	Sharp EL 1182 Printer w/display	44	75.63	3,328
10	Sharp EL 1192 Desk Top Print/Display	56	46.80	2,621
	SOFTWARE/GAME CARTRIDGES			
1	Atari CX2646 Pac-Man	49,653	30.56	1,517,554
2	Atari CX2609 Defender	17,071	30.55	521,648
3	Atari CX2674 ET	14,006	35.10	491,611
4	Parker Frogger	12,100	29.68	359,168
5	Activision AG010 Kaboom	15,089	20.81	314,140
6	Atari CX2632 Space Invaders	11,623	25.81	300,040
7	Activision AX015 Chopper Command	9,464	25.22	238,709
8	Activision AX016 Star Master	9,258	25.21	233,455
9	Atari CX2650 Berserk	8,715	25.97	226,348
10	Atari CX2655 Yars Revenge	7,777	26.00	202,211

(Continued on page 44)

Educational Software Market Explodes

RICHARDSON, Tex.—The educational software market for personal computers is forecast to reach the $1 billion mark within the next four years, according to a report from Future Computing.

While schools currently demand a greater share of the overall market, the rapid growth of home computers will create a trend. The report predicts that 70% of the 1987 educational software market will go to homes.

The study confirms the directions already seen by some retailers. Some discounters have indicated that educational programs will make up about 25% of their software/cartridge stock this year, up from roughly 10% last year.

"Parents see the home computer as an excellent tool for their children," said Dr. Egil Juliussen, Future Computing chairman. "This trend will increase as more families purchase computers."

The market researcher forecasts that a major influence in the home educational programs will be a new breed of games designed to entertain and instruct.

PMA®
PRODUCT MOVEMENT AUDIT

AS USUAL.

Plus a full line of quality videocassettes.

In an independent test of all major brands of blank VHS videocassettes, reported by *Video Review*, Scotch Videocassettes were rated as, "a mostly superb tape formulation that boasts excellent signal-to-noise ratios...as well as the lowest center-of-tape dropout rate of any of the tapes tested."

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SCOTCH® VIDEOCASSETTES

3M

Telephones

(Continued from page 42)

only the cordless phones showed signs of life in last year's top 10 for the category.

The Extend-A-Phone EX-3000 won the honors, entering at No. 6 on the list.

"Right now telephones are the No. 1 priority for the mass merchants—they're really excited about them," Henley says. "But, they also have to figure out exactly how they want to display them; if they're going to walk away—things like that. But, it's a very hot category."

Meanwhile, video games and game cartridges remain dominant in consumer electronics with personal computers gaining strength. Henley says that while discounters have grown interested in the computers, they are also showing extreme caution because of a lack of sales service.

Recent price wars among the manufacturers have provided discounters with a powerful incentive to move ahead.

Says Henley, "I see prices

(Continued on page 44)

DYNASOUND
ORGANIZER

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CONSUMER ELECTRONICS

9th Annual PMA

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TAPE/BATTERIES/ACCESSORIES			
1	878051 Duracell D25F 30-D/32-C/48-9v/48-AA4 ..	460	290.71	133,727
2	836012 Memorex 3/90 Minute Cassette	8,956	7.57	67,765
3	878004 Duracell MN1500B4 AA Alkaline 4Pk	21,984	2.49	54,840
4	878001 Duracell MN1300B2 D Alkaline 2Pk	31,536	1.73	54,449
5	878002 Duracell MN1400B2 C Alkaline 2Pk	31,018	1.72	53,421
6	940001 BASF 54555 Videotape T120 2-4-6 Hr	3,607	13.22	47,688
7	878005 Duracell MN1604B 9v Aklaline 1Pk	23,244	1.69	39,290
8	838005 Certron C60/3 Cassette/Bg 3 60 min	37,111	0.97	36,164
9	838018 Certron C90/3 Cassette/Bg 3 90 min	17,405	1.70	29,653
10	878003 Duracell MN1500B2 AA Alkaline 2Pk	16,877	1.36	22,910

Source: Stern-Nickman Distributing, a division of Cook United, Maple Heights, Ohio for calendar 1982, covering 900 stores, including 125 discount stores in the Midwest

Mfrs.' VCR Sales Double

WASHINGTON—Manufacturers' sales of video cassette recorders (VCR's) doubled in the past year, according to the Electronic Industries Association's Consumer Electronics Group.

The VCR's posted the most dramatic gain of all video categories, jumping to 246,797 units shipped during February.

The association also reported that projection televisions are on the rebound from a decline last year. Sales of the units during the first two months of this year showed a 55.4% gain over the first two months of 1982.

Read

CLASSIFIED ADS

every issue
in

Discount Store News

PMA®

PRODUCT MOVEMENT AUDIT

Telephones

(Continued from page 43)

continuing to fall with the growth of more sophisticated machines."

That sophistication has already begun to show itself not only in personal computers, but also in the continuing upgrading of the games and game cartridges.

The Atari 2600 continued its domination of the field in last year's chart, solidly hanging on to its No. 1 rating; Mattel's Intellivision moved up three notches from its position on last year's PMA to second.

Joining those two in last year's top 10 are three others: the Atari 800 and 400, and the Commodore VIC 20.

If there is any relative stability to the video game and computer industry, it's showing in cartridges. Asteroids, Space Invaders and Missile Command slipped only slightly from 1981 and retained a place in the 1982 top 15 games.

Pac-Man munched his way to the top of the list, joined by new entries E.T., Defender and Frogger.

Discounters are finding the cartridges to be a staple of their CE diet, and an area where they are strongly competitive.

"The personal computers are on the rise," Henley says. "The game machines will grow too, although with lower prices, not necessarily in volume.

Pension

(Continued from page 30)

companies of Target, Caldor, Bradlees, Venture and Gold Circle. The analysis is based on 1981 operations, showing change from 1980.

The 1981 average cost per company of its pension plan was $26.5 million in retailing, a 3.4% increase from the 1980 cost of $25.6 million. Reduced employment levels were in part responsible for holding down cost increases, the report notes.

Pension cost expressed as a percentage of pretax profits actually dropped in retailing, from 16.7% in 1980 to 16.6% in 1981. The average for all nonindustrial companies considered was 15.5%.

On a per-employee basis, retailers spent $420 on pension plans during 1981, a 7.1% increase from the $392 per employee spent the year before. A high number of part-time employees is one factor which separates retailing from other industries, as the nonindustrial companies studied paid out an average $1,428 per employee in 1981.

In covering the total accumulated benefits with company net assets, retailers assume an average interest return of 7.42% on pension plans and net assets average 91.3% of total accumulated benefits. This is slightly less than the 96.4% funded ratio in all nonindustrial groups in the study, which includes commercial banking, transportation and utilities.

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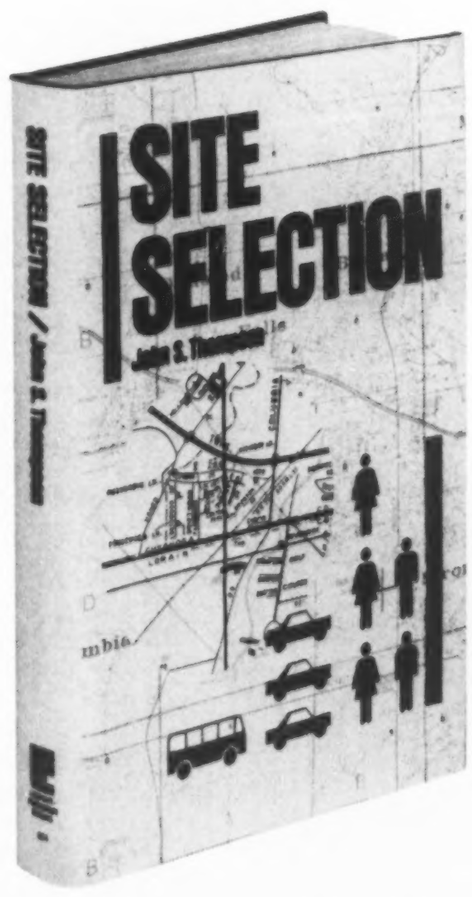

SITE SELECTION
by John S. Thompson

"Fortunately for his readers, John Thompson has created a book which is steeped in practical experience. He has avoided making it strictly an academic or theoretical presentation . . . this book will be a handy desk top reference for both the student of market research as well as those directly involved in site location analysis, real estate long-range planning, shopping center development, and real estate brokerage."

—Richard C. Biagi
Vice President, Real Estate,
Lucky Stores

Whether you're concerned with General Merchandise, Department Stores (of any size), Discount Stores, Supermarkets or Restaurants, there is a section of this book written specifically for your needs.

Site Selection brings together a wide range of classic methods to accurately forecast future sales. And Thompson introduces his never-before-published method—the "Normal Formula Method"—for more effective analysis of a proposed site.

John S. Thompson, a pioneer in site selection with Safeway Stores, has, for the past 22 years, been president of his own consulting firm in Los Altos, Calif. His clients cover the spectrum of retailing from Zodys to Alpha Beta to Host International.

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HEALTH & BEAUTY AIDS

9th Annual PMA

PMA® PRODUCT MOVEMENT AUDIT

Top Growth Area: Ethnic Hair Care

By M. Raymond Prendergast
President,
Boston Distributors

Health and beauty aids surpassed the $18 billion mark in 1982 with retail sales jumping

11% over 1981 results. Total sales at Boston Distributors, which approximated overall national growth, showed 28 categories recording gains and 11 categories declining during the year.

Our No. 1 department was once again deodorants with 6.4% of total H&BA sales and a 19% increase in 1982. Right Guard 10 oz. repeated as the top sku in the category followed by Ban Roll-On in the Nos. 2 and 3 spots. Sticks and solids showed the strongest growth on the listing, capturing seven of the top 15 positions, while roll-ons and aerosols took six and two rankings, respectively. Procter and Gamble made the largest gains with six positions vs. four in 1981.

Procter and Gamble repeated this strong performance in the shampoo PMA with four Head & Shoulders and two Prell put-ups on the listing. Revlon again took the top three slots in shampoos and conditioners by continuing to offer retailers strong promotional programs. Selsun Blue and Faberge's Organic shampoo jumped on the chart for the first time, contributing to the category's 9% rise in Boston's sales.

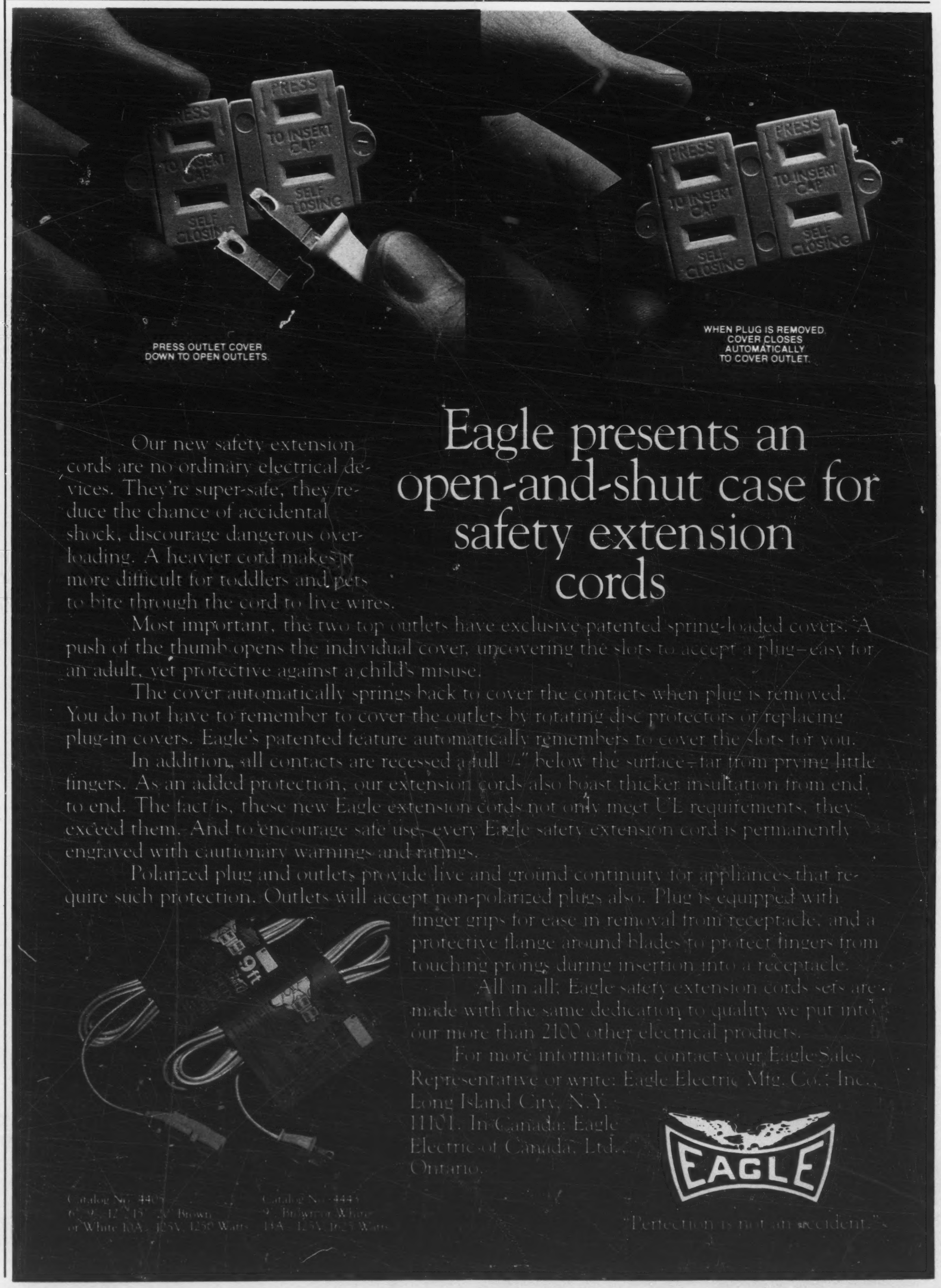
The year 1983 promises to be even better for shampoos as manufacturers are dedicating increased percentages of ad ex-

(Continued on page 50)

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
HAIR SPRAY					
1	1	Aqua Net Hair Spray Super 9 oz	164,184	1.23	201,946
2	2	All Set Hair Spray Gold Extra 19 oz	95,364	1.75	166,887
3	3	Miss Breck Hair Spray Super 9 oz	80,232	1.84	147,627
4	5	Aqua Net Hair Spray Reg 9 oz	109,152	1.23	134,257
5	6	Aqua Net Unscented Hair Spray 9 oz	99,240	1.23	122,065
6	7	Miss Breck Hr Spry Spr Unscntd 9 oz	57,768	1.84	106,293
7	22	Clairmist Hr Spry Unscntd (2.19) Prprcd	60,588	1.69	102,394
8	12	Mist Breck Hair Spray Reg 9 oz	52,332	1.84	96,291
9	4	Adorn Hair Spray Hard to Hold 9 oz	33,228	2.76	91,709
10	9	All Set Hair Spray Blue Firm 19 oz	51,816	1.75	90,678
ETHNIC PRODUCTS					
1	—	Carefree Curl Moisturizer 12 oz	54,735	4.08	223,319
2	1	Dark-n-Luvly Relaxer Kit	40,592	5.06	205,396
3	8	Carefree Curl Moisturizer 8 oz	59,271	2.91	172,479
4	—	Carefree Curl Activator 12 oz	36,395	4.44	161,594
5	2	Sta Sof Fro Spray Extra Dry 16 oz	36,204	3.81	137,937
6	10	Carefree Curl Activator 8 oz	36,793	3.14	115,530
7	19	T C B Easy Curl Activator 6 oz	22,905	3.34	76,503
8	3	Pro Line Curly Kit	10,299	6.53	67,252
9	6	T C B Hair & Scalp Conditioner 8 oz	19,664	3.26	66,105
10	14	Classey Curl Curl Kit	7,457	8.67	64,652

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
SANITARY NAPKINS & TAMPONS					
1	3	Tampax Super 40's	122,784	3.23	396,592
2	2	Modess Stayfree Super Maxipads 30's	88,596	3.66	324,261
3	1	Modess Stayfree Maxipads 30's	80,736	3.66	295,494
4	4	Modess Stayfree Deodrnt Mxipds 30's	75,444	3.66	276,125
5	12	Tampax Original Regular 40's	84,444	3.23	272,754
6	5	Tampax Slender Regular 40's	76,284	3.23	246,397
7	6	Tampax Super Plus 40's	75,228	3.23	242,986
8	13	Sure & Natural Maxi Shields 30's	50,688	3.84	194,642
9	10	Modess Stayfree Minipads 30's	52,032	2.76	143,608
10	8	Carefree Panty Shields 30's	48,582	2.45	119,026
ANALGESICS					
1	9	Tylenol Tablets Extra Strength 60's	85,626	3.69	315,960
2	1	Bufferin Tablets 100's	98,934	3.08	304,717
3	2	Anacin Tablets 100's	88,272	3.15	278,057
4	4	Tylenol Capsules Extra Strength 100's	39,018	5.89	229,816
5	3	Tylenol Capsules Extra Strength 50's	57,330	3.69	211,548
6	8	Tylenol Tablets Extra Strength 100's	41,196	4.99	205,568
7	10	Anacin Tablets 200's	30,426	6.03	183,469
8	5	Bayer Aspirin Tablets 100's	85,788	2.09	179,297
9	7	Tylenol Tablets 100's	50,016	3.48	174,056
10	6	Excedrin Tablets 100's	53,484	2.58	137,989

(Continued on page 50)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WHEN PLUG IS REMOVED COVER CLOSES AUTOMATICALLY TO COVER OUTLET.
Eagle presents an open-and-shut case for safety extension cords
Our new safety extension cords are no ordinary electrical devices. They're super-safe, they reduce the chance of accidental shock, discourage dangerous overloading. A heavier cord makes it more difficult for toddlers and pets to bite through the cord to live wires.
Most important, the two top outlets have exclusive patented spring-loaded covers. A push of the thumb opens the individual cover, uncovering the slots to accept a plug—easy for an adult, yet protective against a child's misuse.
The cover automatically springs back to cover the contacts when plug is removed. You do not have to remember to cover the outlets by rotating disc protectors or replacing plug-in covers. Eagle's patented feature automatically remembers to cover the slots for you.
In addition, all contacts are recessed a full ½" below the surface—far from prying little fingers. As an added protection, our extension cords also boast thicker insulation from end to end. The fact is, these new Eagle extension cords not only meet UL requirements, they exceed them. And to encourage safe use, every Eagle safety extension cord is permanently engraved with cautionary warnings and ratings.
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All in all, Eagle safety extension cords sets are made with the same dedication to quality we put into our more than 2100 other electrical products.
For more information, contact your Eagle Sales Representative or write: Eagle Electric Mfg. Co., Inc., Long Island City, N.Y. 11101. In Canada: Eagle Electric of Canada, Ltd., Ontario.
9ft
EAGLE
"Perfection is not an accident."

Wags Odd Lot Opening No. 3

ROCHELLE PARK, N.J.—Three former Two Guys executives will open the third store in their chain of closeout units called Wags Odd Lot.

The trio, Sal Merlo, Ronald Harris and Dick Saylez, plan to open the third Wags next month in Jersey City, N.J., using 7,000 sq. ft. in an ex-Two Guys store. Bradlees and a supermarket have already recycled most of that unit.

The two earlier Wags are a 6,000-sq.-ft. store in Weehawken, N.J., and a 5,000-sq.-ft. unit in Staten Island, N.Y. Both are in Pathmark-anchored shopping centers.

Wags is patterned after such closeout stores as the two-unit Job Lot Trading/The Pushcart in New York City and Odd Lot in the Greater New York Area.

HEALTH & BEAUTY AIDS

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Ethnic Area

(Continued from page 49)

penditures and greater marketing efforts to the category. Lever Brothers is expected to go national with its test-marketed Dimension shampoo and back the brand with one of the largest advertising budgets ever. Vidal Sassoon is also expected to take its new dandruff shampoo national by midyear to stimulate plus sales in the medicated shampoo segment. Finesse, our top new entry in the conditioner PMA, has introduced a shampoo formulation which should also do well in 1983.

Related Move

Finesse is an excellent example of the dominant trend in the hair care market today. Virtually every major manufacturer, with the exception of Procter and Gamble, is marketing the line concept of a shampoo and a conditioner for each of its brands. Millions of dollars are being spent to convince the American public that it needs to use both products. We are now recommending merchandising the companion products together in order to have our customers capitalize on the investments being made by the manufacturer.

While line merchandising is being extended to include hair spray, we haven't incorporated these products into our planogram approach to shampoos and conditioners. Jhirmack, Vidal Sassoon and Silkience have all introduced hair sprays to capitalize upon their success in the hair care market. As yet, none of those brands have made a significant enough impact on the category to shake up our PMA, which continues to be led by Aqua Net (No. 1); All Set

(Continued on page 51)

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
BABY PRODUCTS					
1	1	Q-Tips Cotton Swabs 300's	91,872	2.06	189,256
2	5	Baby Fresh Wipes 80's	56,304	3.09	173,979
3	3	J&J Baby Powder Economy 14 oz	74,844	2.27	169,896
4	2	J&J Baby Shampoo 16 oz	35,196	3.81	134,097
5	4	J&J Baby Powder Family 24 oz	31,476	3.58	112,684
6	6	Baby Fresh Wipes 40's	59,598	1.58	94,165
7	16	J&J Baby Oil Large 10 oz	26,466	2.92	77,281
8	7	J&J Baby Powder Large 9 oz	42,996	1.78	76,533
9	11	Vaseline Petroleum Jelly 3.75 oz	56,640	1.32	74,765
10	19	Diaperene Wash Cloths 150's	24,546	2.92	71,674
11	15	J&J Baby Oil Economy 16 oz	18,756	3.74	70,147
12	10	Vaseline Petroleum Jelly 7.5 oz	30,774	2.17	66,780
13	12	J&J Baby Shampoo 11 oz	23,796	2.77	65,915
14	23	J&J Baby Oil medium 4 oz	35,508	1.73	61,429
15	14	Desitin Ointment 4.25 oz	25,428	2.40	61,027
MOUTHWASH					
1	1	Listerine Antiseptic 32 oz	155,712	3.47	540,321
2	2	Scope Mouthwash 40 oz	109,500	4.33	474,135
3	11	Signal Mouthwash 24 oz	51,730	3.16	163,467
4	18	Scope Mouthwash 24 oz	50,736	3.16	160,326
5	27	Signal Mouthwash 32 oz	48,244	3.28	158,240
6	8	Cepacol Mouthwash 24 oz	47,040	3.20	150,528
7	6	Scope Mouthwash Family Size 18 oz	61,578	2.39	147,171
8	13	Listerine Antiseptic 18 oz	53,124	2.39	126,966
9	4	Listerine Antiseptic 24 oz	35,264	3.16	111,434
10	33	Signal Mouthwash 40 oz	20,880	4.33	90,410
11	10	Scope Mouthwash Large 12 oz	42,588	1.93	82,195
12	22	Listerine Antiseptic 12 oz	42,096	1.93	81,245
13	19	Listermint Mouthwash 32 oz	17,094	3.61	61,709
14	14	Listermint Mouthwash 18 oz	22,848	2.39	54,607
15	21	Listermint Mouthwash 24 oz	15,696	3.12	48,972

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
EYE & EAR PREPARATIONS					
1	4	Soflens Cleaning Tablets 24's	28,290	7.02	198,596
2	3	Bausch & Lomb Saline Solution 12 oz	48,984	3.25	159,198
3	1	Bausch & Lomb Saline Solution 8 oz	35,994	2.52	90,705
4	5	Bausch & Lomb Dsnfctng Sltn 12 oz	22,008	3.89	85,611
5	6	Bausch & Lomb Daily Cleaner 1.5 oz	26,748	3.19	85,326
6	2	Barnes Hind Wetting Solution	26,304	3.23	84,962
7	—	Soflens Cleaning Tablets 12's	17,520	4.63	81,118
8	7	Visine Eye Drops Plastic 15 CC	36,066	1.87	67,443
9	24	Flex Care 12 oz	17,514	3.55	62,175
10	8	Visine Eye Drops Plastic 30 CC	16,008	2.99	47,864
11	9	Bausch & Lomb Lubricant 0.5 oz	14,352	3.20	45,927
12	12	Preflex 1.5 oz	14,532	2.94	42,724
13	11	Murine Drops 0.5 oz	23,472	1.68	39,433
14	19	Barns Hind Clean & Soak 4 oz	11,394	3.40	38,740
15	14	Soaclens 4 oz	11,388	3.32	37,808
DIET PRODUCTS					
1	1	Dexatrim Extra Strength Capsules 20's	46,776	3.87	181,023
2	2	Dexatrim Extra Strength Capsules 40's	23,814	6.57	156,458
3	3	Dexatrim Capsules 28's	24,228	3.87	93,762
4	23	Dexatrim Extra Strngth Cffn Free 20's	22,116	3.87	85,589
5	13	Sweet-n-Low Packettes 250's	20,824	2.82	58,724
6	5	Sweet-n-Low Packettes 100's	39,444	1.44	56,799
7	7	Control Capsules 28's	13,248	4.17	55,244
8	4	Sweet-n-Low Packettes 500's	8,592	5.60	48,115
9	6	Control Capsules 14's	18,624	2.40	44,698
10	9	Appedrine Tablets 30's	15,972	2.79	44,562
11	8	Dexatrim Capsules 56's	6,594	6.57	43,323
12	14	Dietac Max-Strength Capsules 20's	10,248	4.17	42,734
13	11	Prolamine Super Strength Tblts 20's	13,236	2.99	39,576
14	16	Aqua-Ban Tablets 60's	11,172	2.99	33,404
15	49	No-Salt Salt Alternative 11 oz	9,204	3.03	27,888

(Continued on page 51)

Motion Displays Up Battery Biz

EVANSVILLE, Ind.—Motion displays for battery products accounted for 9.5% more unit sales than static displays, according to a recent study by Product Acceptance and Research.

Unit sales were greatest in mass merchandisers, which posted sales gains of 15.7%, compared to 9.1% for food outlets and 3.7% for drug stores.

The study measured alkaline battery sales in six mass merchandisers, six food merchandisers and six chain drug stores in Atlanta and San Diego, Calif.

Sales and share of market were monitored and audited during a four-week base period with no displays, and a subsequent two-week test period. During the test period half of the stores used static displays, while a comparable group of stores used motion displays.

The two test groups charged comparable retail prices for the batteries, and displays were erected and stocked by Union Carbide personnel.

A BUYER'S GUIDE

HOW TO MAKE A TOUGH DECISION

THE YEAR OF THE FLOOD

Portable kerosene heater sales are so hot, that everyone seems to be pushing them. We've counted 35 brands that, on the surface, look nearly identical.

And every one promises you "The Best Deal".

That's the tough part.

JUST WHAT IS THE BEST DEAL

Everyone knows it's not a deal if you can't get delivery when you need it . . . if you can't get parts and service for your customers . . . or if the product itself is cheap.

If you want a **real** deal, compare Toyokuni portable kerosene heaters and the support GLO International gives you. With Toyokuni, you'll get delivery when you need it. We guarantee it.

For the 83-84 selling season, we'll have new models and **new pricing** for the line.

WE DON'T STOP AT THE ORDER FORM

Some companies may seem to disappear after you sign the order.

Not with Toyokuni. GLO International provides **full** support:

- Self-selling, full-color cartons,
- Award winning P.O.S. support materials and product literature,
- Complete parts and accessories availability,
- Comprehensive limited warranty support,
- A national authorized service center program,
- Sales training films and pocket sales guides,
- And, attention getting P.O.S. films, that sell the product for you.

THE BEST PART OF ALL... SATISFIED CUSTOMERS

Toyokuni owners speak for the product, reporting an outstanding **96%** satisfaction rate.

Why? Quality.

Quality you can see and feel.

Stainless steel. Bright chrome. Tight seams. Flawless finishes. Precise assembly.

Quality in convenience and safety features; including the confidence of U.L. Listing on all models.

Your customers know that **Value** is **Quality + Price**.

That's Toyokuni.

DOLLAR FOR DOLLAR, YOU WON'T FIND A BETTER DEAL

We have the product. We have the experience. And, we're here to stay.

We have everything that you and your customers want, at the right price.

Call us, TOLL-FREE at **1-800-543-7897** (In Ohio 1-800-762-7846). We'll show you that the *right* decision is Toyokuni from GLO International.

HEALTH & BEAUTY AIDS

9th Annual PMA

Glass cases, track lighting and signing to emphasize name brands create a classy cosmetics department and a natural lead-in to H&BA at Grand Central, Salt Lake City, Utah.

1982 $ Rank	1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
BLADES & RAZORS					
1	1	Atra Cartridges 10's	106,932	4.08	436,283
2	3	Atra Cartridges 5's	137,700	2.05	282,285
3	4	Good News Razor 6-pack	140,772	1.79	251,982
4	2	Gillette Trac II Cartridges 9's	63,564	3.68	233,916
5	6	Bic Shaver 5-pack	219,996	0.88	193,596
6	5	Good News Razor Disposable 3-pack	185,784	0.92	170,921
7	7	Gillette Trac II Cartridges 5's	69,468	1.98	137,547
8	43	Atra 15's	27,540	3.87	106,580
9	11	Schick II Twin Cartridges 9's	30,768	3.43	105,534
10	10	Gillette Sup Stnlss Stl Dbl Edge 10's	35,148	3.00	105,444
11	9	Gillette Trac II Cartridges 14's	19,512	4.81	93,853
12	8	Personal Touch Refill Cartridges 4's	42,840	1.94	83,110
13	12	Schick Plus Platinum Injector 15's	18,624	4.08	75,986
14	28	Schick II Ultrex Cartridges 5's	36,756	2.04	74,982
15	14	Schick Plus Platinum Injector 7's	28,548	2.35	67,088
LOTIONS, CREAMS & MOISTURIZERS					
1	1	Oil of Olay 4 oz	74,880	4.65	348,192
2	2	Oil of Olay 6 oz	50,766	6.71	340,640
3	7	Vaseline Intnsv Care Ltn Reg 10 oz	95,496	1.53	146,109
4	5	Vaseline Intnsv Care Ltn Reg 15 oz	47,376	2.73	129,336
5	3	Noxzema Cream Jar 10 oz	47,754	2.35	112,222
6	4	Night of Olay Cream 2 oz	18,912	4.88	92,291
7	12	Vaseline Intnsv Care Ltn Ex Stgth 10 oz	46,404	1.53	70,998
8	8	Noxzema Skin Cream Special 14 oz	26,856	2.55	68,483
9	13	Wet Ones Disposable Towles 70's	37,416	1.59	59,491
10	31	Aapri Apricot Facial Scrub 2 oz	19,416	2.85	55,336
11	11	Jergens Lotion 15 oz	18,516	2.95	54,622
12	27	Soft Sense Extra Moisturing 10 oz	27,588	1.92	52,969
13	9	Keri Lotion 6.5 oz	15,948	3.26	51,990
14	20	Ponds Cold Cream 6.1 oz	14,424	3.24	46,734
15	41	Aapri Apricot Facial Scrub 4 oz	9,336	4.33	40,425

(Continued on page 53)

PMA® PRODUCT MOVEMENT AUDIT

Ethnic Area

(Continued from page 50)

(No. 2), and Miss Breck (No. 3).

The concept of line merchandising is perhaps best applied in the ethnic category, where products such as Soft Sheen's Carefree Curl brand and M & M's Sta Sof Fro have taken the market by storm. Those hair care items, marketed toward blacks, represent Boston's No. 1 dollar growth category with a 38% increase in sales and 2.69% of total H&BA volume. In stores with strong black traffic, ethnic hair care will be the No. 1 H&BA department if the mix is assorted properly and if the lucrative allowances made available from the manufacturers are utilized for endcaps and case stack displays. The most successful promotions feature Dark-n-Luvly Kits and T.C.B. products in addition to Sta Sof Fro and our No. 1 line, Carefree Curl.

Upward Spiral

Boston's No. 2 growth category in 1982 was the eye care department which rose 32% in sales and captured 1.5% of our total volume. The only thing that grew more than sales in 1982 was the number of items available. Soflens Cleaning tablets were our No. 1 dollar item during the year while Bausch & Lomb's Saline Solution 12 oz. scored first in unit sales and second in dollars. The growth of the market has come almost exclusively from the soft lens segment as is evidenced by the slippage of Barnes Hinds Wettings Solution for hard lens. Formerly the perenial frontrunner of our PMA, Barnes Hind's top sku fell to No. 2 in 1981 and to No. 6 in 1982.

Another long-standing PMA leader which dropped in 1982 was Contac 10's, falling to our No. 3 ranking in cough and cold

(Continued on page 53)

Empire-Crown Auto Unveils 51st Store

MINNEAPOLIS—Empire-Crown Auto, the automotive parts, accessories and service specialist, recently announced the opening of its 51st store in Owatonna, Minn.

The new Crown Auto store has 8,000 sq. ft. of retail, service and storage space, and six fully equipped automotive service bays. It offers a line of parts and accessories for foreign and domestic cars and has eight trained mechanics on staff.

Joe H. Adelman, president of the company, said the Owatonna store is the first new outlet to open this year, and may not be the last. He said the opening of two or three more stores later this year in the Midwest is being considered.

The company has retail stores in Minnesota, Wisconsin and southern California. It also distributes a wholesale auto parts catalog in 13 western states.

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The manufacturer reserves the right to make product modifications without notice.
T3-03A

HEALTH & BEAUTY AIDS

9th Annual PMA

PMA®

PRODUCT MOVEMENT AUDIT

Ethnic Area

(Continued from page 51)

remedies behind Nyquil 6 oz. and 10 oz. The prime reason for the decline wasn't due to Nyquil, as might be expected, but rather to the surge of Sudafed tablets which went over the counter in 1981. Like Afrin in the nasal spray category, Sudafed's loyal following of users constituted a strong base for its entry into the OTC market. We expect additional growth in cold products in 1983 due to the approval for over-the-counter sale of Drixoral and Actifed.

In the analgesic category Tylenol repeated as the No. 1 brand in 1982 despite the tragedy that was associated with the brand. McNeil's marketing support, in addition to the tremendous amount of publicity received by the Tylenol name, has given them a positive consumer awareness second to none in the industry. Look for this brand to exceed its prescare 37% market share in 1983.

Promotions Upped

In the vitamin category, Lederle Labs' Centrum brand has again taken the No. 1 position with a dollar volume four times that of No. 2 Theragram M. Stresstabs, another Lederle product, took the Nos. 3 and 4 rankings. Miles Labs, a one-time power on our PMA, has restructured One-a-Day and will support the brand with extensive advertising to recoup market share lost to Lederle. We are also expecting to see the Geritol brand rejuvenated by its new owners, Beecham.

It has been stated that the H&BA business isn't affected by recessionary downturns in the economy. Discounters who identified the many opportunities available and developed merchandising strategies which capitalized on manufacturer investment in dollars and market expertise demonstrated the validity of this statement.

1982 Rank	Product Category	% of Total Sales	% Change
	Sales by Category (1982 vs. '81)		
1	Deodorant	6.44	+19
2	Shampoo	5.37	+ 9
3	Sanitary Napkins	5.20	+11
4	Analgesics	5.14	+10
5	Cold Products	4.66	+11
6	Toothpaste	4.24	– 5
7	Blades & Razors	3.03	– 1
8	Lotions & Moisturizers	2.98	–14
9	Hair Spray	2.97	+ 6
10	Antacids & Related	2.94	+ 6
11	Ethnic Products	2.69	+38
12	Hair Color	2.64	– 6
13	Baby Products	2.61	– 1
14	Mouthwash	2.60	+15
15	Creme Rinse & Conditioner	2.60	– 4
16	Trial Sizes	2.06	+32
17	Bar Soap	1.93	+25
18	Denture	1.82	+ 7
18	Vitamins	1.69	+24
20	Eye & Ear	1.50	+32
21	Hair Care & Related	1.18	+ 9
22	Laxatives	1.11	+14
23	Diet Products	1.10	+17
24	Suntan	1.08	–31
25	Feminine Hygiene	1.08	+14
26	Shave Creams	1.00	+ 8
27	Medicated Skin Care	0.88	+ 6
28	First Aid Bandages	0.84	+ 9
29	Curlers & Perms	0.81	–10
30	Toothbrushes	0.79	– 4

Source: Boston Distributors, for calendar 1982. Boston, a division of Cook United, Maple Heights, Ohio, covers 600 stores, including 360 discount stores in 18 states. Average retail prices listed by the distributor reflect typical price points for discount stores.

NSGA to Launch '86 Spring Show

MOUNT PROSPECT, Ill.—The National Sporting Goods Association will launch a spring market show in 1986 that will rotate among several United States Sunbelt cities.

The association undertook an extensive study which showed the need for a spring buying event. To accommodate a spring show, the NSGA National Convention & Show will be rescheduled, beginning in the fall of 1985.

The schedule for the spring market is: 1986 in New Orleans, Feb. 13-15; 1987, Dallas, Feb. 20-22; 1988, Phoenix, Feb. 5-7; 1989, New Orleans, Feb. 27-29; 1990, Phoenix, Feb. 2-4, and 1991, Dallas, Feb. 21-23.

The NSGA is an international trade association representing sporting goods retailers and manufacturers.

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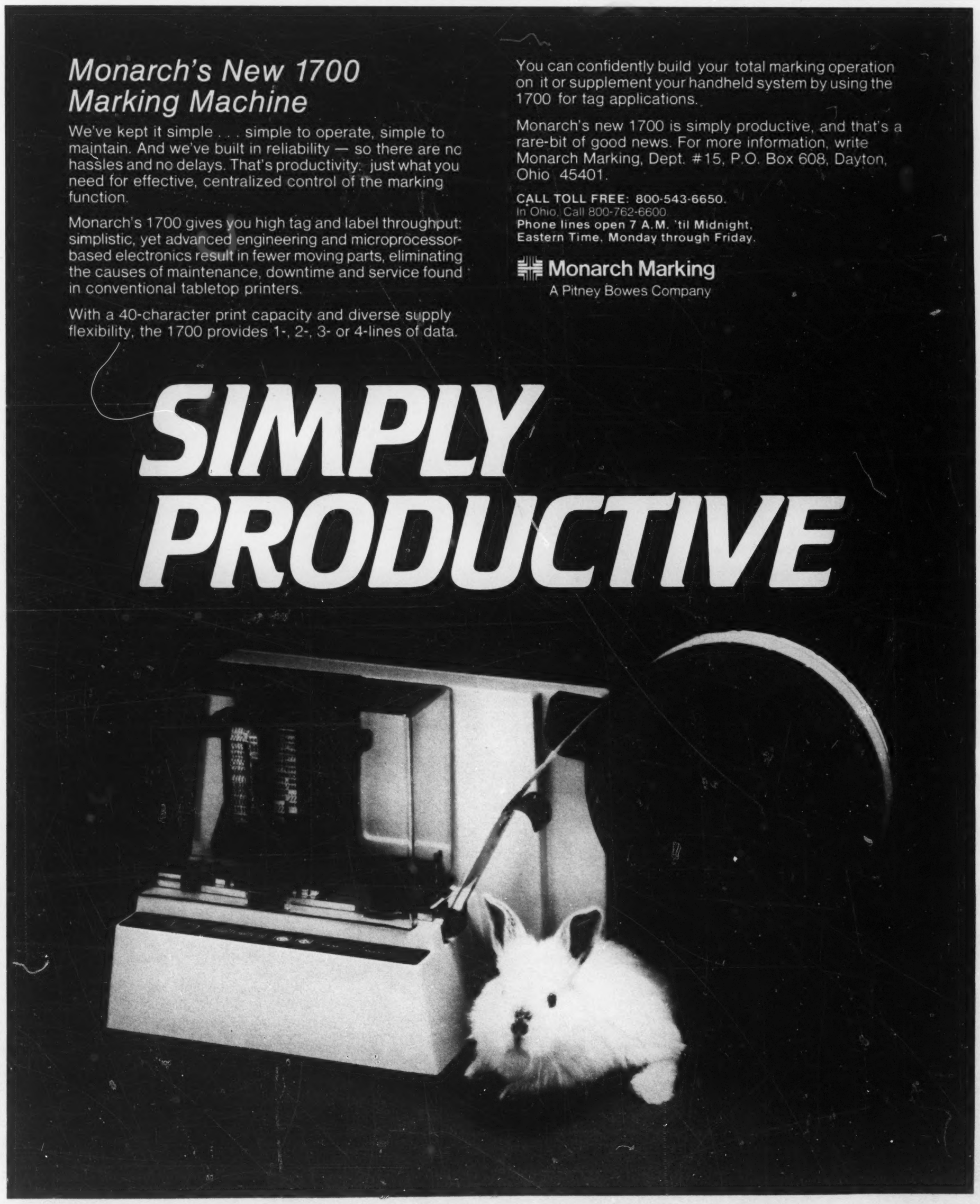
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Automobile seat covers are expected to have another strong year. More colors and styles are displayed in Bradlees, Hingham, Mass., by use of mock seats and display windows on merchandise. *(DSN photo)*

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Armor All protector	236,718	2.99	707,786
2	DuPont Rain Dance 14 oz	97,588	7.19	701,657
3	Gumout jet spray 13 oz	267,470	2.39	639,253
4	STP oil treatment 15 oz	269,147	2.29	616,346
5	Motorcraft oil filter	143,267	4.19	601,797
6	2-ton Hydraulic floor jack	10,570	54.29	573,845
7	16 oz Armor All protector	82,454	6.19	510,390
8	DuPont Rain Dance 12 oz	67,080	7.19	482,305
9	Snowwhite Lit 'n' Ez gal	32,034	13.99	448,155
10	Sealed beam, lrg round	135,204	3.29	444,821
11	Gumout carb cleaner	232,836	1.89	440,060
12	Turtle minute wax 18 oz	174,052	5.99	381,173
13	Quaker State deluxe 10W40	206,282	1.59	327,988
14	Rislone oil alloy 32 oz	116,990	2.79	326,402
15	AC oil filters	80,423	3.99	320,887
16	HD shell pst kit 14 oz	79,857	3.99	318,629
17	Sealed beam, large square	38,990	7.99	311,530
18	Fix a flat tire infl 16 oz	219,813	1.39	305,540
19	Gunk aerosol	138,949	2.19	304,298
20	WD-40 Aerosol 9 oz	115,715	2.59	299,701
21	Bars leak 12 oz	138,659	1.99	275,931
22	4 oz Armor All protector	155,709	1.69	263,148
23	One piece auto ramps, pr	11,904	21.99	261,768
24	Roberk wiper bld refill	119,028	2.19	260,671
25	Westleys bleach white	116,973	2.19	256,170
26	Black Io 15 oz	106,386	2.39	254,262
27	Freon, 14 oz	139,624	1.79	249,926
28	TMP sandable prim gray	124,169	1.99	247,096
29	Yale power strg fluid 14 oz	122,998	1.99	244,766
30	Sealed beam, low square	48,994	4.99	244,480
31	Lee oil filter	69,895	3.49	243,933
32	Warco dot brake fluid qt	62,026	3.89	241,261
33	Auto bulbs 2 on a card	237,846	0.99	235,467
34	Prest super flush pk 12	71,478	3.29	235,162
35	32 oz Armor All protector	26,129	8.99	234,899
36	Simoniz super poly, paste	29,249	7.99	233,699
37	Turtle Zip liq car wash	96,378	2.39	230,343
38	Bar leak 5½ oz	153,272	1.49	228,375
39	Warco dot brake fluid 12 oz	149,630	1.49	222,948

(Continued on page 57)

9th Annual PMA

PMA®

PRODUCT MOVEMENT AUDIT

Seat Cover Biz Should Keep Rising

By HERB RECHTER
President,
Allied Accessories
And Auto Parts

Business was tough in 1982, but the first few months of 1983 have shown consumers' confidence in the economy is strengthening—and so is their spending.

Sales for the first quarter are ahead of what we did a year ago, but 1983 is still going to be a year where we work hard for every sale.

Gross margins were badly eroded in 1982 because of the promotional pressure retailers and wholesalers experienced; with consumer spending down, we both promoted to keep volume figures up.

To ease some of that pressure

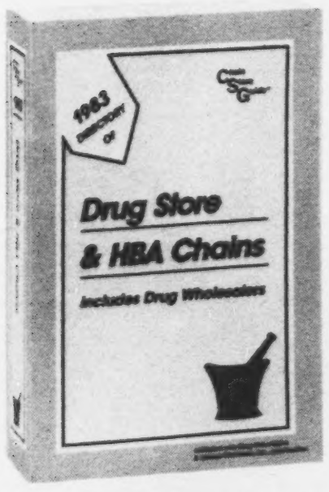
(Continued on page 57)

YOU CAN'T SELL THE MARKET WITHOUT KNOWING IT . . .
CHAIN STORE GUIDE DEFINES YOUR MARKET!

In view of the current recessionary business climate, you need to utilize every resource at your disposal to increase sales and keep overhead costs down. To make your business profitable in today's slumping retail marketplace, you must work smarter and operate more productively. The "information explosion" that has impacted upon every business—new companies entering the marketplace, personnel movement, exciting new merchandising trends, mergers and acquisitions—must be controlled to work for you, not against you!

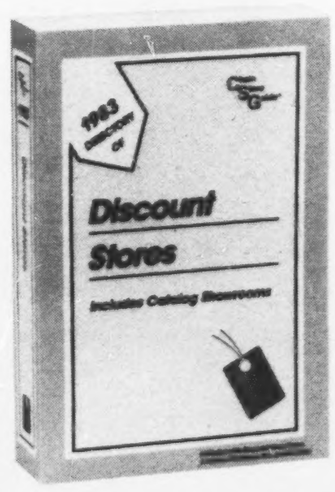
The new Chain Store Guides will enable you to achieve hands-on control of your business in the following ways:

1. *Providing your reps in the field with new leads and familiarizing your new people with the marketplace.*
2. *Compiling or updating targeted direct-mail lists aimed at a name, not a title.*
3. *Qualifying the respondents to your mailings on the basis of company size, number of units, sales volume, geographical concentrations, etc.!*
4. *Identifying the key decision-makers your sales team should be calling on.*
5. *Augmenting your sales program and sales services by using the guides as a telemarketing tool for your reps and support people.*

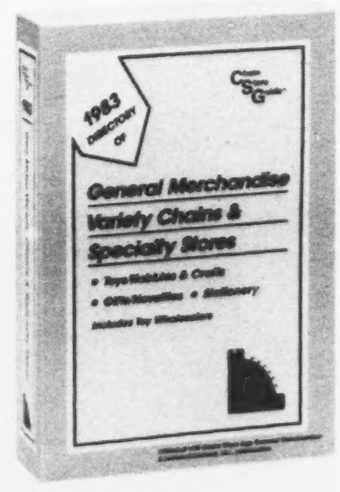


406 companies operating 8,282 units . . . 9,820 top executives, merchandise managers and buyers identified . . . 150 leased department operators . . . 28 catalog coordinators & 317 catalog showroom companies operating 1,583 catalog showrooms.

863 gm/variety companies operating 19,494 units . . . 1,664 specialty store companies operating 5,902 units . . . 116 toy wholesalers . . . 10,348 top executives, buyers and merchandise managers identified.



2,593 companies operating 20,342 stores . . . 10,675 top executives, merchandise managers and buyers identified . . . 50 new chains published for the first time . . . product lines indexed!



1,900 jobber/retailers operating 21,000 units . . . 600 warehouse distributors . . . 11,000 top executives, buyers and merchandise managers identified . . . 20-category product line index.

Order your new Chain Store Guides today by using the coupon below.

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CALENDAR

April 26-28
AGMC: Physical Distribution Conference, Hyatt Regency Memphis, Memphis, Tenn.

May 2-4
AGMC: Finance/Information Systems Conference, Hyatt Regency O'Hare, Chicago.

May 14-18
NRMI: National Mass Retailing Institute Annual Merchandising and Management Convention, Fairmont Hotel, New Orleans.

June 5-8
Summer Consumer Electronics Show, McCormick Place, Chicago.

June 15-17
AGMC: Personnel/Labor Relations Conference, Key Bridge Marriott, Arlington, Va.

July 8-13
Transworld Housewares & Variety Show, O'Hare Exposition Center, Chicago.

July 11-14
NHMA: National Housewares Manufacturers Association Show, McCormick Place, Chicago.

July 28-31
AFTMA: American Fishing & Tackle Manufacturers Association Show, Dallas Convention Center, Dallas.

Aug. 14
DSN: Discount Store News' SPARC '83 Supplier Performance by Retail Category, Hyatt Regency, Chicago.

(Continued on page 57)

AUTOMOTIVE

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Seat Cover

(Continued from page 54)

this year, we are moving deeper into our import program where the margins are better.

Eventually, we would like imports to account for 10% of our mix, but that is several years away. But, we do expect import items to account for 3% to 4% of our mix by the end of this year.

We will also be continuously reviewing our inventory for slow-moving items that don't meet performance standards.

Overall, we expect 1983 to be another year for basic and staple item selling, as the annual product movement audit indicates. But, there will be some bright spots, individual products that the public is highly interested in.

Seat covers, for example, were a strong item in 1982, and we expect sales in this category to continue to grow throughout the year.

The seat cover sku's don't show up on the PMA charts be-

(Continued on page 58)

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
40	12 ft B cable slvd	26,662	8.19	218,361
41	Simoniz super poly liq	27,258	7.99	217,791
42	DuPont Rally poly liq 16 oz	28,144	7.69	216,427
43	DuPont Rally poly paste 14 oz	28,098	7.69	216,073
44	AC spark plug	126,271	1.69	213,397
45	Prestone brake fl 12 oz	106,958	1.99	212,846
46	Red hi 15 oz	88,272	2.39	210,970
47	Turtle color cack 16 oz	41,530	4.99	207,234
48	Champion spark plug	16,078	12.59	202,422
49	DuPont rub compound	87,095	2.29	199,447
50	5 gal Gas can flex spout	15,274	12.99	198,409
51	TMP sandable prim red	98,376	1.99	195,768
52	Johnson's wax kit 12 oz	45,840	4.19	192,069
53	STP gas treatment 8 oz	148,657	1.29	191,767
54	GM 8 cyl dist cap	34,693	5.49	190,464
55	Prime antifreeze	39,651	4.79	189,928
56	Roberk wiper blades	85,739	2.19	187,768
57	2 gal Gas can flex spout	31,000	5.99	186,289
58	Univ hand ckg conv kit	32,686	5.69	185,983
59	Complete lighter	33,821	5.49	185,677
60	Bottle gas line antifreeze	310,362	0.59	183,113
61	Lee oil filter	46,924	3.89	182,534
62	Snowite Lite 'n' Ez qt kit	36,072	4.99	179,999
63	TMP rubberized undercoat	58,232	2.99	174,113
64	Trailer harness kit	21,645	7.99	172,943
65	Liquid Turtle Wax 12 oz	57,550	2.99	172,074
66	Rain Dance weather grd 16	16,662	10.19	169,785
67	16 oz Armor All cleaner	4,106	2.29	169,702
68	Fram oil filter	34,958	4.79	167,448
69	GE silicone seal, clear	54,344	3.29	162,488
70	TMP Aero undercoat 16 oz	79,960	1.99	159,120
71	Dup Wht Pol Comp 12 oz	69,328	2.29	158,761
72	A/C recharge kit/Frson	22,623	6.89	155,872
73	Castle Mir Honey 14Z	51,998	2.99	155,474
74	8/RBL15Y Ch spk plg	12,238	12.59	154,076
75	GMB cy Tune-Up Kit	33,904	4.49	152,228
76	Delco 8 cyl tune-up kit	19,017	7.99	151,945
77	STP Gas Treatment 12 oz	75,847	1.99	150,935
78	GM combo tune-up kit	25,013	5.99	149,827
79	165PSI Air comp W/GA	4,994	29.99	149,770
80	8/RN12Y Replaced by #17424	11,655	12.79	149,067
81	9 oz Simoniz presoft	45,267	3.29	148,928
82	AC spark plugs, 8/P	11,824	12.59	148,864
83	SE 86 6 AMP battery charger	4,415	32.99	145,650
84	Sil custom wire set	8,277	17.39	143,937
85	Aerosol starting fluid	111,328	1.29	143,613
86	Gen Elec glass seal	43,374	3.29	142,700
87	D & L hand cleaner 14 oz	109,701	1.29	141,514
88	TMP sandable prim black	10,137	1.99	139,572
89	Sealed beam, low round	49,563	2.79	138,280
90	Rally cream wax 10 oz	32,679	4.19	136,925
91	Scraper/squeegee/snowbrush	68,204	1.99	135,725
92	GM Uniset OEM	13,585	9.99	135,714
93	Lee oil filter	38,808	3.49	135,439
94	Lee Maxi oil filter	29,346	4.59	134,698
95	DuPont car wash 8 oz	51,101	2.59	132,351
96	8/RBL17Y6 Champ plg	10,182	12.59	128,191
97	GMB cap & rotor ele ign	9,729	12.99	126,379
98	West, bleach white liq 32 oz	37,257	3.39	126,301
99	PF-47 AC oil filters	31,053	3.99	123,901

(Continued on page 58)

CALENDAR

(Continued from page 54)

Aug. 30-Sept. 1
APAA: Automotive Parts and Accessories Show, McCormick Place, Chicago.

Sept. 11-14
National Merchandise Show, Coliseum, New York.

Sept. 12-14
NRMI: National Mass Retailing Institute Loss Prevention Conference, Fairmont Hotel, New Orleans.

Oct. 1-4
28th Annual Sporting Goods International Show, New York Coliseum, New York.

Oct. 8-13
AGMC: National Convention, Marco Beach Marriott, Marco Island, Fla.

Oct. 20-22
PMA: Photo Marketing Association, Fall Seminar & Trade Show, San Antonio Convention Center, San Antonio, Tex.

Nov. 8-12
AFTMA: American Fishing & Tackle Manufacturers Association Annual Meeting, La Posada, Scottsdale, Ariz.

Nov. 16-18
NMRI: National Mass Retailing Institute Financial and EDP Conference, Dutch Inn Resort Hotel, Lake Buena Vista, Fla.

Feb. 18-21, 1984
Variety Merchandise Show, Coliseum, New York.

Feb. 18-20, 1984
National Back-To-School Merchandise Show, Coliseum, New York.

May 7-10, 1984
Premium Incentive Show, Coliseum, New York.

Now build added traffic, more sales with "performance guaranteed" Champions.

The world's best-known, best-selling spark plugs are now being sold with a money-back "performance guarantee."

And it covers every popular spark plug Champion makes.*

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AUTOMOTIVE

9th Annual PMA

PRODUCT MOVEMENT AUDIT

Seat Cover

(Continued from page 57)

cause we carry so many colors and numbers, but as a classification, they have done very well.

We now carry 12 different models, with an assortment of colors for each model. We expanded the line earlier this year, in time for spring selling. Prices on covers range from $4.95 to $34.95 and we're finding a lot of interest in the goods at the higher end of the range.

Consumers are willing to spend some money to fix up car interiors. Cars are so expensive today, that many people are buying bare-bones, no-frill models. Then later, they're willing to invest a few more dollars and do some upgrading and styling themselves.

Along that line, we saw consumers willing to spend a little more for a better quality product.

In antennas, for example, our best-seller was a step-up model with a booster that sold

(Continued on page 59)

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
100	Wynn carb clnr 113/4 oz	51,541	2.39	123,182
101	RR15 Roberk wiper bld refill	55,950	2.19	122,530
102	8/26 Autolite res plug	10,164	11.99	121,866
103	AC oil filters	30,463	3.99	121,547
104	Wheel wrench	24,272	4.99	121,117
105	AFL-91 Lee air filters	21,979	5.49	120,664
106	Thrush muffler	6,702	17.99	120,568
107	8/RJ12Y Ch spk plug	9,424	12.79	120,532
108	Marvel Mystery oil 16 oz	54,675	2.19	119,740
109	LF-24 Lee oil filter	30,731	3.89	119,543
110	3 sect antenna w/booster	13,282	8.99	119,405
111	8/N12Y Chmp spk plg	10,824	10.99	118,955
112	10AMP Battery charger	2,954	39.99	118,130
113	18" Roberk wiper blades	52,593	2.19	115,178
114	GE Silicone seal, black	34,953	3.29	114,995
115	PF-30 AC oil filters	28,539	3.99	113,870
116	Acme tire gauge	29,868	3.79	223,199
117	Blue poly liq sealnt 8 oz	17,121	6.59	112,827
118	AC spark plug	66,277	1.69	112,008
119	GE elect instant gasket	33,912	3.29	111,570
120	HP Lee maxi oil filter	22,727	4.89	111,135
121	Thrush muffler	6,162	17.99	110,854
122	Ton jack stand	19,930	5.49	109,415
123	HD toggle switch	39,092	2.79	109,066
124	Espree wr whl kit	21,853	4.99	109,046
125	Thrush muffler	6,055	17.99	108,929
126	29452(20)RV12YC(RBL13Y)CH PG	8,458	12.79	108,177
127	3 Sect Cprilng base ant	13,505	7.99	107,904
128	V-250 Chamois 2.5 sq ft	18,001	5.99	107,825
129	Snowite Lite 'n' Ez filr qt	24,430	4.39	107,247
130	Blue poly pste sealnt 8 oz	16,267	6.59	107,199
131	Prestone spray deicer	52,969	1.99	105,408
132	Fram oil filter	19,843	5.29	104,969
133	Body mount mirrors univ	12,934	7.99	103,342
134	TMP undercoating	45,089	2.29	103,253
135	Universal power antenna	2,937	34.99	102,765
136	Touchtone 80 musical horn	1,565	64.99	101,709
137	Truck mirror snapaway head	4,530	21.99	99,614
138	Ford 8 cy tune-up kit	24,693	3.99	98,525
139	Playboy blk air freshner	99,060	0.99	98,069
140	Marvel mystery oil	29,741	3.29	97,847
141	Pine Tree car freshner	164,948	0.59	97,319
142	Motorcraft oil filter	20,737	0.69	97,256
143	1 gal Gas can pulup spout	32,523	2.99	97,243
144	M-1-15 Motor Medic 1 150 oz	37,532	2.59	97,207
145	BTU Reddy heater	420	229.95	96,579
146	Turtle Was 14 oz	32,258	2.99	96,451
147	Mini-grease gun kit	11,504	8.29	95,368
148	Blue poly liq sealant 16 oz	9,540	9.99	95,304
149	Bug/tar remov Turtl 16 oz	43,421	2.19	95,091
150	Buff-N-Gloss 12V polisher	2,503	37.59	94,087
151	Uphol clr Turt Arsl 14	34,473	2.69	92,732
152	Lee oil filter	19,431	4.79	93,074
153	Super Hd Shell liq 18 oz	21,095	4.39	92,607
154	AC oil filter	23,216	3.99	92,631
155	Wynn Trans sealer 11 oz	38,578	2.39	92,201
156	Gunk foam eng degreaser	44,029	2.09	92,020
157	AC oil filters	22,921	3.99	91,454
158	Multi-Serv grs 3/3-oz tube	35,016	2.59	90,691
159	Auto bulbs 2 on a card	56,815	1.59	90,335

(Continued on page 59)

Bills in State Legislatures: A Mixed Bag

Following is a report on bills introduced in state legislatures, prepared by the Association of General Merchandise Chains.

BAD CHECKS

Arkansas: HB 608 would raise the threshold for felony convictions for issuing bad checks to $250.

Arkansas: SB 148, which would have required that the date an account was opened be printed on checks, has failed in the Senate.

Arkansas: SB 248, providing that issuing a bad check in the sum of $100 or more would be considered a felony, has passed the Senate.

Iowa: SB 124 would allow attorneys' fees to be recovered in bad check actions.

Kansas: HB 2419 would make issuing a worthless check in an amount in excess of $100 a Class E felony. Issuing a worthless check in an amount less than $100 dollars would be a Class EE felony.

Maine: LS 431 (SB 139) would permit imposing a $10 fee for bad checks.

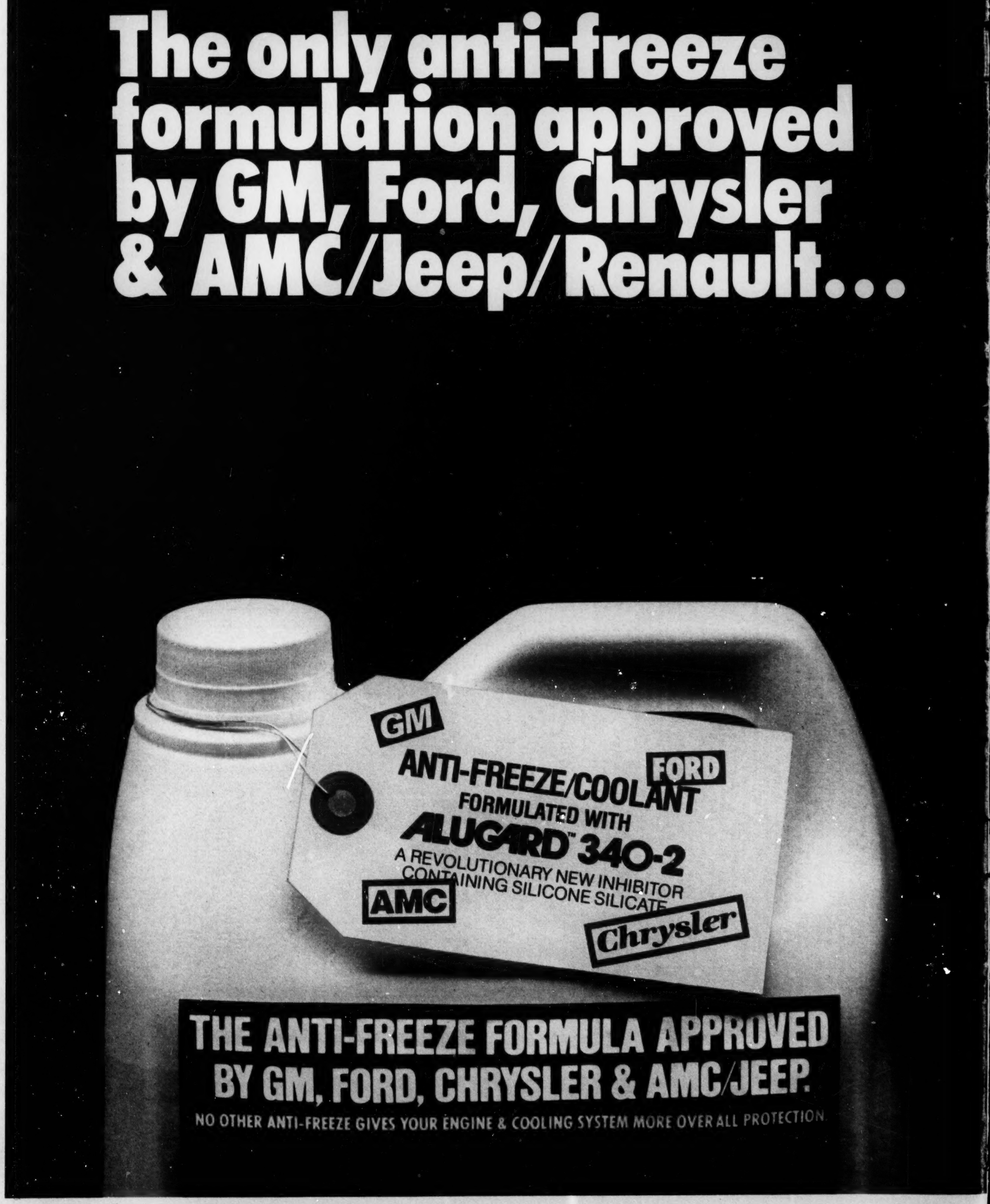
Mississippi: SB 2407, making a number of changes in the bad check law including providing for a $10 service charge and for restitution, has passed the Senate.

BUSINESS CLOSINGS

California: AB 396 would prohibit an entity which employs at least 50 individuals at a single workshop from reducing operations or closing a work-

(Continued on page 59)

The only anti-freeze formulation approved by GM, Ford, Chrysler & AMC/Jeep/Renault...



THE ANTI-FREEZE FORMULA APPROVED BY GM, FORD, CHRYSLER & AMC/JEEP.

NO OTHER ANTI-FREEZE GIVES YOUR ENGINE & COOLING SYSTEM MORE OVER ALL PROTECTION.

AUTOMOTIVE

9th Annual PMA

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
160	Multi-purp GRs 14-oz cart	64,961	1.39	90,295
161	Micrft sprk plug res bk	53,417	1.69	90,274
162	Lighter element	30,994	2.89	89,572
163	12' B CBLEDL X CL	5,257	16.99	89,316
164	Thermostat	40,636	2.19	88,992
165	Sun Inductive Timelite	2,157	40.99	88,415
166	Sun oil/temp/amp gauge	3,158	27.99	88,392
167	4 Pole Flat trailer conn	44,236	1.99	88,029
168	Chry Ele ign cap/RirV-8	13,154	6.69	88,000
169	11A (12A) TR-3 Resin glaze 1234	17,626	4.99	87,953
170	Sun Super tach II	1,750	49.99	87,482
171	7MM Sil cushion wire set	7,257	11.99	87,011
172	8P Turn signal flasher	46,016	1.89	86,970
173	Super funnel (31117)	43,678	1.99	86,919
174	TMP belt dressing 4 oz	51,404	1.69	86,872
175	Body mount mirror univ	10,819	7.99	86,443
176	Thermostat	39,194	2.19	85,834
177	Wynn Spitfire 12 oz	35,814	2.39	85,595
178	Lo-mnt trck mirror chrome	4,277	9.99	85,497
179	7MM hyp custom wire set	9,228	9.19	84,000
180	BP Turn signal flasher	46,016	1.89	86,970
181	Super funnel (31117)	43,678	1.99	86,919
182	TAC 34 TMP belt dressing 4 oz	51,404	1.69	86,872
183	Body mount mirror univ	10,819	7.99	86,443
184	Thermostat	39,194	2.19	85,834
185	Wynn Spitfire 12 oz	35,814	2.39	85,595
186	Lo-mnt trck mirror chrome	4,277	19.99	85,497
187	7 MM Hyp custom wire set	9,228	9.19	84,805
188	Permatex gasket cement #2	44,728	1.89	84,535
189	Quartz fog lite kit	2,812	29.99	84,331
190	Wynn pwr str fld 14 oz	42,240	1.99	84,057
191	Carded hose clamps 4/CD	49,546	1.69	83,732
192	3 Section Antenna 38"	17,763	4.69	83,308
193	Prestone brake fl quart	16,590	4.99	82,784
194	Top Post Hd Term 1/CD	82,729	0.99	81,901
195	All Chrome sport mirror	4,074	19.99	81,439
196	Thrush muffler	4,522	17.99	81,350
197	12 volt ashguard	22,026	3.69	81,275
198	TMP Spray chrome paint	29,096	2.79	81,177
199	Fiberglass resin pint	14,439	5.59	80,714
200	Grease gun lever act	10,090	7.99	80,619
201	DuPont 7 auto pol	25,250	3.19	80,547
202	Thrush muffler	4,461	17.99	80,253
203	Blue poly paste seal	8,033	9.99	80,249
204	Carb cleaner 13 oz	29,774	2.69	80,092
205	Ply/SH1 1-stp lq 16 oz	11,454	6.99	80,036
206	Liq wrench aero 12 oz	44,669	1.79	79,957
207	Bardhl aero carb & chdk hok	47,301	1.69	79,938
208	2" Flex hose 6'	13,334	5.99	79,924
209	(25) 8/RBL17Y Champ plug	6,336	12.59	79,770
210	Blu Escort Cpt TF 104	4,184	18.99	79,454
211	Lee maxi oil filter	17,215	4.59	79,016
212	Rear-view mirror adhesive	39,681	1.99	78,965
213	8/25 Autolite res plug	6,572	11.99	78,798
214	7 MM Hyp custom wire set	44,814	9.19	78,445
215	2 ton Hydraulic bottle jack	7,427	10.49	78,381
216	Blk spt grp st whl cvr	15,660	4.99	78,143
217	Megjar car wax liq 16 oz	13,023	5.99	78,007
218	8/RF11Y Chm spk plg	6,059	12.79	77,494
219	Fibergl rep kit qt	6,453	11.99	77,371

(Continued on page 60)

PMA PRODUCT MOVEMENT AUDIT

Seat Cover

(Continued from page 58)

at retail for an average price of $8.99.

We also saw a handful of items do well because they filled a niche in the marketplace.

The No. 12 item on last year's chart is an example of that kind of product. Turtle's 18-oz. minute wax in this, its first year out, did very well. We sold almost 175,000 pieces during the 12-month period.

Consumers like it because it's easy to put on. It seems to have captured a new share of the market: people who normally wouldn't polish their cars.

Otherwise, there are no surprises in the listing, particularly among the top items. They are all basic auto department items: oil filters, sealed beams, wiper blade refills, brake fluids, body polishes, and chemical additives.

Armor All Protector, the No. 1 item on the listing, continues to do an outstanding job and gets stronger all the time.

(Continued on page 60)

State Bills

(Continued from page 58)

place unless each of the employees received advanced written notice of the reduction or closure at least 90 days in advance.

CASH DISCOUNTS

Massachusetts: SB 12 provides clarification regarding giving of cash discounts.

CONSUMER AFFAIRS

Missouri: HB 636 deals with unconscionable acts or practices in connection with consumer transactions. It would prohibit a consumer from waiving or agreeing to forgo any rights or benefits granted under the bill and sets out criteria to be used by courts in determining whether an act or practice is unconscionable.

CHOKE SAVING

Michigan: HB 4115 would require all food-service establishments to post diagrams and instructions for applying the Heimlich technique.

EQUAL EMPLOYMENT

California: AB 398 would require all employers to continue employment of employees beyond their normal retirement dates if they so desire.

Illinois: HB 235 would make it an unlawful employment practice to engage in sexual harrassment.

Kansas: HB 2523 would make it an unlawful employment practice to limit or deprive a person of an employment opportunity because of age.

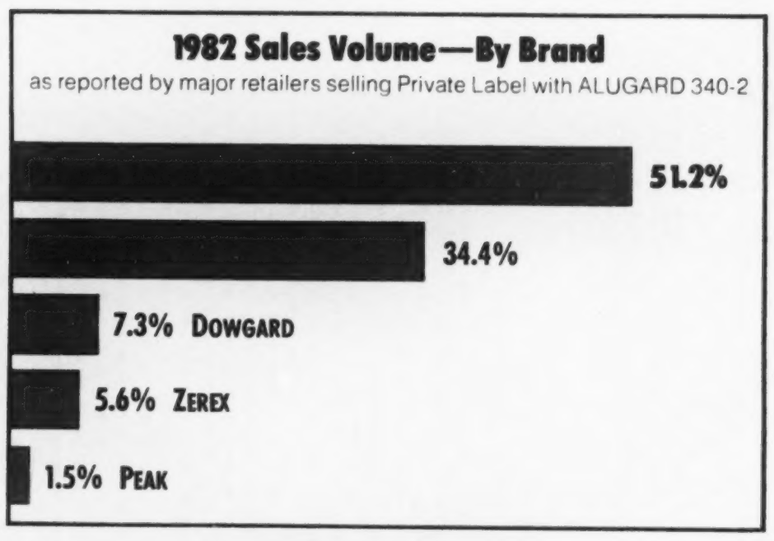
Maine: LD 679 (SB 237) would extend to all citizens regardless of their sexual or affectional orientation the same protections now guaranteed to citizens on the basis of race,

(Continued on page 60)

Can be your biggest profit-maker in 1983...

Last year, we introduced to the private label market a dramatically superior new anti-freeze/coolant. It was the first and only anti-freeze/coolant to combine private label identity and margins . . . with the proven sales appeal of a heavily promoted branded ingredient. And the combined impact was so enormous that every retail chain participating in the program reported significant increases in both sales and profits.

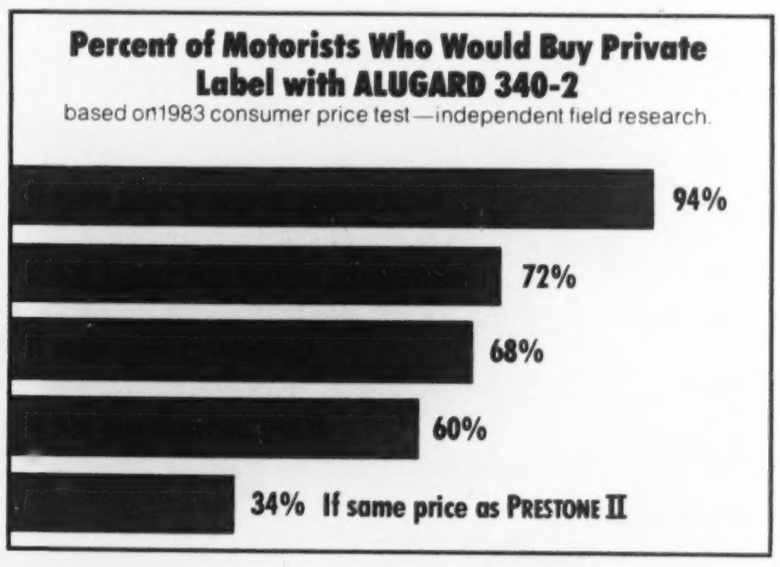
Here are the combined 1982 sales results for all the major retail chains that shared their specific results with us . . .



ALUGARD™ 340-2.
And the difference it makes.

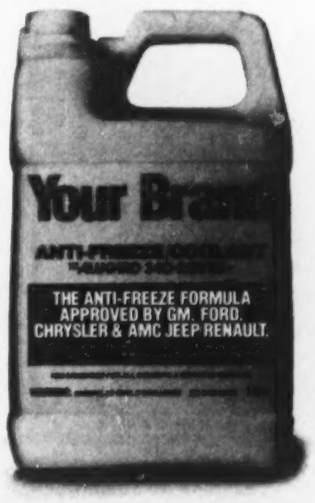
ALUGARD 340-2 is a revolutionary corrosion inhibitor that increases the long-term performance of anti-freeze/coolants. In fact, anti-freeze/coolant with ALUGARD 340-2 is so superior that it alone carries the unanimous approvals of GM, Ford, Chrysler and AMC/Jeep/Renault right on its label.

In 1982, motorists demonstrated a huge demand for anti-freeze/coolant brands containing ALUGARD 340-2. And after comparing label claims, they've also demonstrated their willingness to pay premium prices for brands with ALUGARD 340-2.


Percent of Motorists Who Would Buy Private Label with ALUGARD 340-2
based on1983 consumer price test—independent field research.
94%
72%
68%
60%
34% If same price as PRESTONE II

Never before has a private label anti-freeze/coolant offered you so much volume and profit potential. And you can make it your brand this year.

For full details, contact us at (800) 526-1072. In New Jersey, (201) 263-3400. Ask for Jim Domke. He'll tell you about ALUGARD 340-2 . . . and the major support program we're putting behind it in 1983.



BASF

BASF Wyandotte Corporation
100 Cherry Hill Road
Parsippany, N.J. 07054

AUTOMOTIVE

9th Annual PMA

1982 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
220	21/4" Flex hose 6'	12,243	6.29	77,008
221	AC spark plug	45,526	1.69	76,938
222	Fram oil filter	14,523	5.29	76,826
223	Aerosol spray de-icer	64,539	1.19	76,801
224	Silicone wire set	4,149	18.49	76,715
225	7 MH Hyp custom wire set	8,238	9.29	76,531
226	Suntune 3" Face tach	2,381	31.99	76,168
227	Vyl top/Clr Tur Arsl 14 oz	28,170	2.69	75,777
228	7 MM Sil custom wire set	4,607	16.39	75,508
229	Armr All prtc/clnr twn/pk	8,890	8.49	75,476
230	Roberk univ washer pump	7,933	9.49	75,284
231	15" Wire wheel cover	3,138	23.99	75,280
232	Power liquid battery additive	31,418	2.39	75,089
233	Lcking gas cap	9,384	7.99	74,978
234	Push pull switch	31,360	2.39	74,950
235	TSX-BB AC spark plugs 8/P	5,935	12.59	74,721
236	WC100 Westley concentrat 16 oz	27,749	2.69	74,644
237	R44T-8B AC spark plugs 8/P	5,912	12.59	74,432
238	Rislone concentrate 15 oz	32,412	2.29	74,223
239	Transeal 12 oz	43,789	1.69	74,003
240	DuPont gas booster 12 oz	30,912	2.39	73,879
241	Prest heavy duty sealer	27,418	2.69	73,754
242	M16-16 Bearing seal 16 oz	24,645	2.99	73,688
243	FP101 Primer W/body filler	19,408	3.79	73,556
244	W1610-2 Mechanics creepr	4,932	14.89	73,437
245	Compass	16,710	4.39	73,356
246	Chilton rep manual 76-83	4,587	15.99	73,346
247	20" Sae chrm lug wrnch	9,173	7.99	73,292
248	TMP Silicone 16 oz	38,610	1.89	72,972
249	4637/72-5201 2½ gal gas can	6,635	10.99	72,918
250	PF-24 AC oil filters	18,240	3.99	72,777

Source: These automotive figures for calendar 1982 were supplied by Allied Accessories and Auto Parts, Madison Heights, Mich. Allied services over 2,500 retail outlets throughout the United States, 98% of which are discount stores' auto departments.

PMA®

PRODUCT MOVEMENT AUDIT

Seat Cover

(Continued from page 59)

DuPont's Rain Dance, in second and eighth positions, respectively, with its 14-oz. and 12-oz. sizes, is a steady best-seller.

These are the kind of wax and polish products in which the public seems most interested. The polymer waxes have been steadily declining for some time now. In fact, I think that most of the DuPont Rally poly liquid and paste we moved during the year (Nos. 42 and 43) was pipeline selling.

Probably the best selling poly in 1982 was Turtle's Color Back, a polish for older cars.

We have cut down on our poly assortment by nearly 50% this year. Instead of carrying several sizes from a manufacturer we now carry one.

Further down the list in 21st and 38th places, Bars Leak, a radiator sealant, totally dominates that market. It's the only product in that segment that continues to do really well.

State Bills

(Continued from page 59)

creed, sex or color. It would apply to discrimination in employment.

Michigan: SB 49 would require that when a person files a complaint locally, he must be informed of the procedure for filing a civil rights complaint under state and Federal law.

Missouri: HB 580 establishes prohibited acts of discrimination on the basis of sex by employers employing six or more employees and doing business in the state. It provides for certain remedies including recovery of damages and reasonable attorneys' fees.

New York: AB 100 would eliminate mandatory retirement due to age for most workers.

South Dakota: HB 1352 would prohibit discrimination in employment on the basis of handicaps, age or marital status.

South Dakota: SB 177 would revise the law regarding wage differentials which are permissable under the equal pay law.

HOURS OF WORK

Nevada: AB 128 would require employers to do additional reporting regarding total hours employed during a pay period. It would require noting the number of hours per day and the hours of overtime.

MINIMUM WAGE

Arizona: SB 1296 relates to the state minimum wage.

Maine: LD 489 (H 406) would establish a minimum wage for waiters and waitresses at three quarters of the prevailing minimum wage rate.

Nevada: AB 130 would change the basis by which retail commission sales persons are exempted from requirements dealing with overtime pay.

Touch up your profits with new Dupli-Color Scratch-Fix.
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As long as car-owners want to keep their cars looking new, you'll get sales action (and profits) with Scratch-Fix, Dupli-Color's new automotive touch-up for nicks and scratches. And you'll get your wide margin on a narrow product line; only 34 numbers cover the most popular recent models of GM, Ford and Chrysler.
Each applicator holds ½ oz. of highest quality acrylic lacquer paint in a leak-proof container. The color is computer-matched to car factory specifications, and the color of the applicator is an exact match to the paint inside. The applicator is virtually unbreakable, and contains a quality tapered nylon brush in the cap.
Scratch-Fix is available in your choice of assortments, carded or non-carded (see above). Order now through your regular Dupli-Color supplier. Dupli-Color Products, 1601 Nicholas Blvd., Elk Grove Village, IL 60007. (312) 439-0600.
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Specialty Discounter Censu

See Special Section: Pp. 2, 11-23

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 22, NO. 9 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | MAY 2, 1983

Computer manuals have a strong sales potential, according to buyers. However, they find the questions of which books to stock, and where to display them, aren't easy to answer.

Computer-Book Potential Is Seen Strong by Buyers

Special DSN Report

Book buyers are looking at new merchandising arrangements to correspond with the sudden sales growth of low-end computers in their discount chains.

Nearly all agree that computer books and manuals show strong potential—not only in individual sales and as add-ons to systems—but also as valuable tools in the sale of the system. As a result, they say at least some of the hundreds of available titles should be displayed with the hi-tech hardware in the consumer electronics department.

Some chains, such as Fedco, have already taken that step, working the books into CE as part of a carefully orchestrated merchandising plan. Many others are just beginning to consider the prospects.

Like their CE counterparts, the book merchants are moving into the new market slowly—unsure of exactly how, when or where the books should be merchandised.

"I'm sure it will develop into an important area," said Ken Kerns, buyer for Fishers Big Wheel. "It just stands to reason that when the discount store home computer market grows, so will book sales."

However, the problem for many of the buyers is that their chains haven't yet settled into the computer market as they still grapple with its highly volatile and largely undefined status. Until that issue is decided, the book buyers say their concerns will have to wait.

"It's just too early for us," said Alexander Rado, dmm,

(Continued on page 29)

T.G. & Y. Plans to Close Up to 79 Stores in 1983

By BRENT H. FELGNER

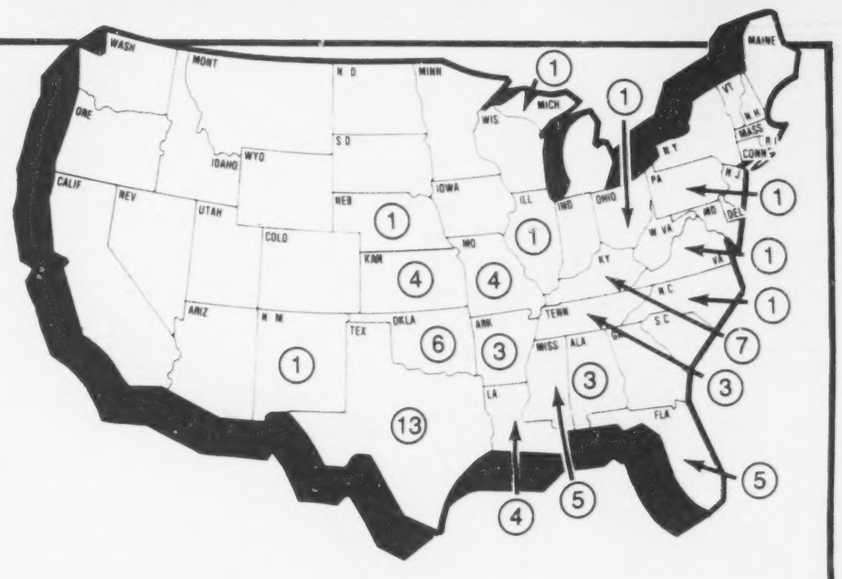
OKLAHOMA CITY—T.G. & Y. will close as many as 79 Family Center and variety stores this year, in the face of deep financial losses and pressure from its parent company, Household International.

Among the stores to be closed will be six in Louisville, Ky., effectively withdrawing the chain from that market.

The remaining closings will be scattered among at least 19 states, involving many of the chain's smaller and more remotely located stores.

About half of the closings are in stores described as hybrids by some industry observers—in the 20,000-30,000-sq.-ft. range. These stores were common during T.G. & Y.'s expansion from the smaller variety stores to the much larger Family Center concept.

Ten others fall in the 30,000-40,000-sq.-ft. range; 18 are variety stores under 20,000 sq. ft., and two are 60,000 sq. ft.



T.G. & Y. this year will close as many as 79 stores, including Family Centers and variety store units. As shown on map, they cover a wide geographical area. *(DSN map)*

Company officials have declined to comment on the closings.

The move comes following a financially disastrous year for the chain.

The general retailing group of Household Merchandising, the retailing arm of the parent

(Continued on page 29)

Vendors Favor Proposed Prescreening

Catalogers Nix Nonbuying Show

Special DSN Report

A proposal to hold a nonbuying show for catalogers to just prescreen merchandise for their fall books has, so far, received a favorable "vote" from vendors, but an unfavorable one from catalog coordinators and independent operators.

Five of six coordinators and independent operators who responded to one survey turned down the idea while 59% of the vendors who answered another questionnaire favored such a show.

Don Moore, executive vice president of coordinator Jewelcor Merchandising, sent out a letter to 24 coordinators and independent operators proposing such a show and asked for comments. He reported that only one coordinator favored the idea while four coordinators and one independent turned it down.

"The first responses aren't favorable to those who want a show," he said, adding that a number of major coordinators and independents still haven't answered.

Philip Berman, head of P.J.B. Catalog Sales, a national rep firm, said that a survey he conducted among vendors showed that 59% of the respondents favored such a show and only 28.2% were definitely against the idea.

The proposed nonprofit show could solve a number of showroom industry problems created by the switching, starting in 1984, of the dates of the winter housewares show from Jan-

(Continued on page 29)

K mart Ups Photo-Lab, Home-Center Tests

TROY, Mich.—Apparently satisfied with early results, K mart is dramatically expanding a two-unit test of an in-store film processing mini-lab, believed to be the first of its kind in a major discount chain.

A. Robert Stevenson, vp, Government and public relations, confirmed the expansion, but declined comment on the location or number of stores involved. However, a source close to the test said a "significant" number of stores will be involved.

The process, known generically as a "one-hour daylight system," has been in place for the last six to eight months in

(Continued on page 6)

K mart is expanding its test of an in-store film processing mini-lab, using this Noritsu Quick Service System. It produces prints from exposed film in less than an hour.

By STANLEY STEINREICH

TROY, Mich.—K mart executives are laying the groundwork to implement a new in-store home center prototype nationwide.

Plans call for the new prototype, which was unveiled last year in the company's Rochester, Mich., store, to be inserted in 10 other metropolitan Detroit stores this spring and 40 more stores throughout the nation by year's end, said A. Robert Stevenson, a vice president and spokesman for the company.

The success of the 10,000-sq.-ft. self-contained test and the projection for profitability are

(Continued on page 29)

Digest
May 2, 1983

SPECIALTY DISCOUNTER CENSUS

• **The fast-growing specialty** discounter market is examined in detail in this annual *DSN* section on pp. 2, 11-23.

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Specialty Discount Chains Prepare '83 Moves

The hot specialty discount store market is taped in this issue, with store count and volume figures listed for leading automotive, apparel, consumer electronics, sporting goods and toy chains. In addition, chain operators give new-store plans and discuss merchandising trends. See stories on this page and pp. 11-23.

While Radio Shack is hopeful about its Phone Center experiment, its full-line c.e. stores, such as this one on Avenue of the Americas, New York, continue to ring up phone sales at a lively pace. *(DSN photo)*

Bras 'n Things' Owner's Problem: Stay Small or Go For the Gusto

By MARILYN NEERMAN

FORT LAUDERDALE, Fla.—Bernard Pachter, owner and president of Bras 'n Things, the five-store off-price, intimate apparel chain, quipped, "I've been accused of operating very clean, almost antiseptic-looking stores."

There's a reason for it. For years Pachter owned a large clinical laboratory in the Northeast. After selling the lab to Revlon, he became president of its biomedical division.

When retirement and Florida beckoned, Pachter looked around for a business, "mostly to keep my wife busy," he said.

What he found, six years ago, was a one-store operation called Bras 'n Things on Hallandale, Fla.'s well-known "schmattah row," a strip center doubling as a mecca for bargain hunters.

Having made the transition from blood testing to off-price apparel retailing, Pachter said he's now facing another decision: whether to remain a small operation with stores primarily in Florida—Hallandale, Palm Beach, North Miami Beach and Pompano Beach—and one in Memphis, or to expand into more far-flung locations and become a much larger business.

The chain anticipates $3 million sales in 1983; Pachter said the bottom line is "well in excess of the national average."

The opportunity for growth is there.

"After store No. 3 opened in the Loehmann's Plaza in North Miami Beach," Pachter said, "the Loehmann's people began to notice us. We were doing a big business and attracting the same customers as Loehmann's. All our stores, except for Hallandale, are in Loehmann's Plazas."

Laura Pachter, vice president and head of corporate development of her father's business, said: "Loehmann's management is encouraging us to open in all its Plazas. There are 60 of them now with many more planned by 1990. Obviously, it's tempting, but it would mean a drastic change in our operation."

The Pachters have just committed for two more stores in

(Continued on page 24)

Radio Shack Tests 4 Phone Center Stores

By BRENT FELGNER

FORT WORTH—In a series of actions reminiscent of its early days in the personal computer business, Radio Shack has launched a test of four phone center stores.

A fifth is to be added by the end of June, when company officials are to begin assessing prospects for a major commitment to the venture.

Each of the stores—located in Fort Worth, Dallas, Louisville and Lexington, Ky.—maintains a fully staffed in-store service department. The approximately 80 personnel are already trained, coming from a small telephone interconnect company acquired by Tandy Corp., Radio Shack's parent, late last year.

The fifth test site, if opened, would probably be located in Louisville, where the company already holds an option on a site.

The store openings have brought a major expansion to Radio Shack's already existing telephone line, with the addition of systems for small businesses capable of handling up to 16 lines and 40 extensions.

"It's a totally different concept," said Garland Asher, Tandy's director of financial planning. "No retailer has ever tried it before and we don't know if it's going to work.

"The small end of the telephone interconnect business is totally fragmented. It's not

(Continued on page 19)

Lionel and Creditors Agree in Principle On New Reorganization Payment Plan

NEW YORK—The Lionel Corp. has reached a tentative reorganization agreement with its creditors committee in which the company will pay cash, preferred and common shares to cover debts reaching $139 million.

Lionel, which filed a Chapter XI petition in February 1982, proposed a repayment plan to its creditors a year ago which was refused. The new plan, which was agreed to in principle, provides for an initial payment of $70 million in cash, $10 million in preferred and common stock (about 35% of Lionel's common stock), plus annual cash payments reaching $45.5 million by 1994, estimated at $3 million to $5 million a year.

"The plan offers our creditors a fair, reasonable settlement and gives a reorganized Lionel the opportunity to continue as a viable factor in toy retailing," stated Michael J. Vastola, chairman and chief executive officer for the corporation, which owns Lionel Leisure and Consolidated Toy.

Before the agreement can be finalized, however, it must be drafted and accepted by creditors and presented to the bankruptcy court for approval, explained a company spokesman. He said he hopes this will occur before the end of 1983.

The reorganization plan also calls for the sale of Lionel's 82% ownership in Dale Electronics to the Acme-Cleveland Corp. for $43 million. At presstime, the two companies had signed a letter of intent, but the transaction was subject to approval from Acme's board and other Government approvals. Dale is a manufacturer of precision electronic components and isn't involved in Lionel's Chapter XI proceedings.

The initial plan Lionel's cred-

(Continued on page 20)

Child World Climbs to No. 2 In Toy Volume With $283M

AVON, Mass.—Child World climbed to the position of the nation's second-largest toy specialty chain last year, with sales of $283 million, a 29% sales jump over 1981.

The chain, which ranked No. 3 in *DSN*'s specialty chain census the previous year—with $220.3 million in sales—will open 11 new units in 1983. This will bring the company total to 90.

President John Chase pegs Child World's success to its "toy supermarket format." He said the stores averaging 36,000 sq. ft. "overwhelm the public in terms of selection and price on a year-round basis."

He pointed to the chain's "low expense structure," naming self-service and central checkout as essentials to the profit picture. He reported same-store sales increases in 1982 of 19% over the previous year.

In addition, the company was very well-positioned in 1982 to aggressively capitalize on the booming electronic business, said Chase. In fact, over 20% of last year's sales were in elec-

(Continued on page 23)

Eyes $200M by '87

ClothesTime Adopts Big 5-Year Sales Growth Plan

ANAHEIM, Calif.—ClothesTime, the 107-store, $50 million, off-price women's apparel specialty chain, has put together a five-year plan, and it's an ambitious one.

Gordon Nielson, president of the chain since last year, said that between now and 1987 ClothesTime will hit sales of $200 million. Sales of the privately held company reportedly increased 75% in 1982. The goals for 1983 and 1984 are a 50% sales increase each year.

The five-year plan calls for opening approximately 35 stores a year, with the chain building a 275-unit spread by 1987, covering a dozen West Coast and Sunbelt states. ClothesTime currently operates in California, Nevada and Arizona. The chain just entered Phoenix, opening three stores in March; three more are planned. Stores in Texas, Colorado, Oregon and Washington are on the drawing board.

"This is the time the off-pricers—with so many of them out there— have to carve their own niche. We've done that."—
Gordon Nielson, president, ClothesTime.

Nielson explained why ClothesTime—whose owners opened their first store in 1974 as an outgrowth of their back-of-the-van swap shop, or flea market, business—is now in a hurry to accelerate the chain's growth.

"With off-price women's apparel, we're in one of the fastest growing areas of retailing," said Nielson, "but with the big conglomerates like Dayton Hudson and K mart hitting the marketplace, and chains like Marshalls and Pic-A-Dilly expanding, we have to either grow or get pushed aside."

Predicting a shakeout among the off-price operations in this decade, ClothesTime doesn't intend to be among the casualties.

"We have an edge over some of the competition," explained Nielson. "This is the time the off-pricers—with so many of them out there—have to carve their own niche. We've done that. We're a true specialty operation in that by catering, with casual apparel, primarily to young, fashion-oriented teenagers and young professionals, we have a narrower customer focus than competitors such as

(Continued on page 23)

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SPECIALTY CHAIN CENSUS

CE: Item Explosion Is Problem

Nationwide DSN Report

Business has never been better—the products never more exciting—but many consumer electronics specialty merchants are groaning louder than ever about the state of the marketplace.

CE technology has taken off at a frantic pace, forcing retailers to do the same. Decisions about buying or dropping lines, price points and available floor space are made almost hourly, they say.

Computers and video games still dominate the new lines, which have grown to include home video and telephones. Older, more established lines have been somewhat eclipsed in the rush.

The retailers say their business has become a maze, much like the one traveled by Pac-Man in his efforts to score points while evading power pellets. For the merchants, the points are profits; the power pellets are their distributors and competitors.

"There are wider assortments in the product line now than ever before," says Glen Hemmerle, vp and gm, Sam Goody. "With the tremendous price drops and product fluctuations, it's a real challenge to try to stay ahead of it."

Like many chains, Sam Goody has expanded its assortment to include video games, computers, telephones and home video, changing a mix once dominated by audio.

In fact, only a handful of chains has elected to stay out of some of the new areas, preferring to wait for the market to settle down. Even though the decision has been made, they admit to spending much time second-guessing such a strat-

(Continued on page 18)

Radio Shack Dominates Expansion

Chain	Number of units April '82	April '83	Dec. '83	Fiscal 1982 Sales (millions)
Radio Shack	6,363	6,542[a]	N.A.	$2,265[b]
Circuit City/Lafayette	49	49	N.A.	240[c]
CMC Stereo	55	56	56	70
Schaack Electronics	60	60	N.A.	65
Pacific Stereo	89	83	83	N.A.
Tech Hi-Fi	78	76	74	N.A.
Sam Goody	33	35	40	N.A.
Newmark & Lewis	19	20	21	N.A.

[a]Includes openings of Radio Shack stores and computer centers through February 1983. [b]For calendar year 1982. Radio Shack's fiscal year runs June-June. [c]DSN estimate. N.A.—Not available. *Source: DSN research.*

Auto: Female Patrons Seen Growing Market

Nationwide DSN Report

Automotive specialty chains, coming off a profitable 1982, are expecting brisk sales to continue well into 1983 and at least through the early part of 1984.

Growth will be tagged to the opening of more stores, increasing sku's of accessories and making a play for the growing number of female buyers.

Executives from many of the chains surveyed said this year and next will be crucial for many consumers who have older cars in need of repair. They say the nationwide recession has taken its toll on new-car buying during the past few years, and many people will be faced with a do-or-die situation: buy or repair.

The industry seems to be placing its bet on the latter. "Interest rates for new cars are just too high for the average consumer," said one midwestern chain executive. "Most folks can't afford a $10,000 car at a 12% or 13% interest rate."

Repair toots some new horns these days. Once the domain of the professional mechanic, the rise of the DIYer has forced many chains to reshape their image.

One chain breaking from the pack is Fleenor's in Indianapolis, Ind. The 50-unit chain has already upgraded about half of its stores, giving them a fresh coat of paint, adding more lighting fixtures and new easy-to-read signing.

"Our remodeling program is well under way and is aimed at what we consider to be a growing market: the female buyer," said a company spokesman.

He said the chain's research indicated more women were entering its stores, and that they required more service and a better shopping environment.

The push for female custom-

(Continued on page 16)

Apparel: Conglomerates In

By MARILYN NEERMAN

Look for more competition in the fast growing off-price apparel retailing segment. In the past year alone, five heavy-hitting multibillion-dollar retail conglomerates made their bids for a share of this business:

- Last December K mart launched the first of its Designer Depot stores in the Detroit suburbs and announced another 30 were expected to be operating by the end of 1983.
- Dayton Hudson chose Los Angeles as the site of its fledgling Plums chain with three stores opening in March 1983. Billed as The Elegant Discounter, Plums offers customers savings of 20%-50% and such amenities as sales assistants, individual fitting rooms and contemporary decor.
- Associated Dry Goods announced a pending agreement for the purchase of Loehmann's, the grande dame of the off-pricers, now cutting out a $260 million sales chunk of the off-price women's apparel business.
- Best Products, the top volume catalog showroom operator, acquired a small Virginia-based chain named Ashby's and has been working on two prototype stores—3,500 and 10,000 sq. ft.—prior to announcing firm expansion plans.
- Toys "R" Us, following the success of its in-store children's apparel area, has announced the fall 1983 debut of an off-price children's wear operation tentatively named Kids "R" Us.

What Dayton Hudson, K mart, et al., are after is a segment of what is generally agreed to be the fastest grow-

(Continued on page 23)

Mervyn's Heads For $1.5 Billion

Chain	No. of Units April '82	April '83	Dec. '83	Sales (millions) Fiscal '82	Fiscal '83*
Mervyn's	82	93	109	$1,336	$1,500
Marshalls	108	140	175	830	1,085
T. J. Maxx	69	87	116	350*	440
Loehmann's	56	61	68	260*	285
Hit or Miss	263	291	342	174*	235
Pic-A-Dilly (It's-A-Dilly)	200	250	260	N.A.	N.A.
J. Brannam	39	29	44	85	N.A.
ClothesTime	72	107	135	50*	75
Off The Rax	71	72	72	36	39
Filene's Basement	6	10	13	N.A.	N.A.

**DSN estimate. N.A.—Not available.* *Source: DSN research.*

Sporting Goods: Expansion Keys Sales Growth

Nationwide DSN Report

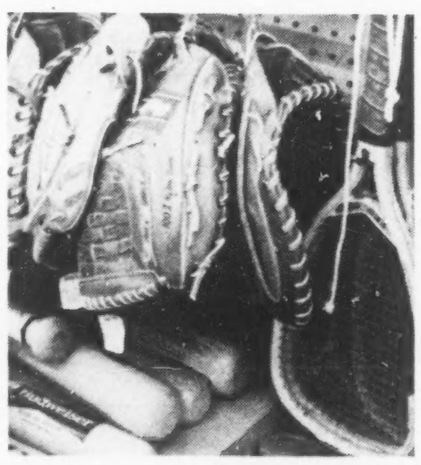
The sporting goods business is still strong for specialty retailers, who expect sales to pick up momentum in '83 and '84.

Since industry volume kept growing at a rate of over 10% annually through the economic downturn, retailers say an approaching economic turnaround combined with chain expansions will boost sales and profits this year and next.

For 1982 and for the future, expansion was and is the key to growth for the majority of sporting goods specialty operations. Michigan, for example, won a 42% sales gain last year by increasing its store count 50% to 15 units from 10.

This year the chain will add three units. Another smaller chain, Brendamour's, garnered a sales gain of over 40% after boosting its store count to 18 from 15.

Herman's held its position as the top volume sporting goods chain with a 13% increase to



$275 million for 1982.

Four new Herman's stores opened last year in Douglaston, N.Y., Union, N.J.; Wilmington, Del., and Willow Grove, Pa.—all markets where Herman's already operated stores. Officials at Herman's parent, W. R. Grace, wouldn't comment on locations of the planned openings in 1983.

The No. 2 chain, Oshman's, is following the most ambitious expansion plans of all of the top-10 sporting goods chains. From April of '82 to last month the chain opened 21 new units and 14 more are slated to open by the end of calendar 1983.

The aggressive expansion strategy led to a 6% drop in profits for Oshman's last year. But, with sales up 14% to $247 million, "it was still our second best year ever," said a company spokesman.

The California-based Big 5 chain is stepping up its expansion, according to executive vp

(Continued on page 13)

Toys "R" Us: New Ventures Set

ROCHELLE PARK, N.J.—Toys "R" Us, preparing new business ventures, exceeded even its own volume expectations in 1982, with sales surpassing $1 billion.

Officials reported a 33% sales leap in 1982 over the $783 million reached in 1981, when they predicted it would take two years for the chain to become the first $1 billion specialty toy retailer.

But, it took only 12 months. In fact, in just four years, the now No. 1 toy discount chain doubled its number of stores and more than tripled sales. In 1982, it claimed an 11% share of the country's entire toy business vs. 5% in 1978.

Additionally, net earnings rose sharply in 1982, from $48.9 million to $64 million—a 31% increase.

In 1983, the company will launch new business enterprises.

Firstly, by fall it will open two pilot, off-price, children's apparel stores in the New York metropolitan area. This new division, tentatively called "Kids R Us" at presstime, will operate as a separate entity. However, "the same specialty retail operating concepts that are used in the toy stores will be applied," a company spokesman explained.

This new division is headed by Judy Stewart, and it will be engaged solely in the "retailing of first-quality, brand-name children's clothing."

The Wall Street community views this as an excellent move for the chain based on the lack of competition in this retail market and on the strong track record of Charles Lazarus, chairman of the board and chief operating officer.

Secondly, the firm is entering the international business scene with its first group of Ca-

(Continued on page 20)

Kay-Bee Boosts Store-Count Lead

Chain	Number of units April '82	April '83	Dec. '83	Fiscal 1982 Sales (millions)
Toys "R" Us	120	144	144	$1,000
Child World	71	79	90	283
Kay-Bee	313	385	418	183
Lionel Leisure	105	56	56	180
Circus World	129	141	N.A.	67
Toy World	51	45	45	33
Play World	11	8	8	18*
TSW	11	10	10	11
Hobby Center	23	22	24	8
Play House	19	23	23	N.A.

**DSN estimate. N.A.—Not available.* *Source: DSN research.*

SPORTING GOODS

Specialty Chain Census

Despite 6% Drop in '82 Profits

Oshman's to Open 14 in 1983, Including Four Upscale A&Fs

HOUSTON—Undaunted by a 6% drop in profits for 1982, management at Oshman's Sporting Goods plans to go ahead with its expansion plan during 1983.

Some 14 stores are due to open later this year; four will be the company's upscale Abercrombie & Fitch units and 10 will be regular Oshman's stores.

During 1982, when seven new A&F stores were launched and 12 Oshman's stores were opened, sales rose 14% to $247 million but earnings slipped 6% to $7 million. In the fourth quarter, sales were up 18% to $86 million and profits jumped 26% to $4.5 million.

"Overall, results weren't as good as we would have liked," said company ceo and chairman Alvin N. Lubetkin. "Sales were up because we have more stores but the slowness of business all year and our rapid expansion hurt profits."

Oshman's gave its A&F sporting goods stores a big push last year, boosting store count from four to 11. The A&F concept hit the East Coast with openings in Stamford, Conn.; Short Hills, N.J.; Philadelphia and the Washington suburb of Georgetown.

"It's a challenge bringing back the Abercrombie & Fitch stores, no matter where we did it," said Lubetkin when asked about the costs of operating the East Coast stores from the Houston headquarters. Oshman's bought the well-known A&F name in 1978, a couple of years after the original chain closed. Oshman's launched its first version of A&F in Dallas in 1981 featuring high-ticket, top-quality brand-name merchandise.

The company will keep expanding its Oshman's Sporting Goods stores within Sunbelt markets and in Florida, Lubetkin said. "We already know how to merchandise in the climate and the strategy won't stretch our operations." Distribution centers for the Oshman's stores are located in Dallas, Houston, Atlanta and southern California.

The assortment in the 8,000- to 14,000-sq.-ft. Oshman's stores includes sports equipment, shoes, hunting gear and camping equipment.

Herman's No. 1 With $275 Million

Chain	Number of units April '82	April '83	Dec. '83	Fiscal 1982 Sales (millions)
Herman's	91	95	N.A.	$275
Oshman's	157	178	191	247
Big 5	60	64	71	N.A.
Sunset Sports	36	42	48	110*
Dave Cook	14	16	18	45*
Gart Brothers	11	12	13	40*
Michigan	10	15	18	30
Champs	34	48	51	27**
Irving Sports	18	18	19	19*
Brendamour's	15	18	18	14

*N.A.—Not available. *Estimate. **Includes sales from 23 franchisees. Sales from company-owned stores totaled $13.2 million in 1982. Source: DSN research.*

Sporting Goods

(Continued from page 11)

Marvin Alpert. The chain added four new stores since April of 1982 and is scheduled to launch seven more by December of this year.

Big 5's parent company, Thrifty Drug in Los Angeles, doesn't break out volume for the chain and Alpert wouldn't reveal locations of units planned to open this year.

Sunset Sports will pass the $100 million mark for the fiscal year ending June 25, 1983. The chain will add six units to its store base this year and will launch more than 10 new stores in 1984.

Sunset Sports president Jack Spitzer said the operation's parent company, Malone & Hyde, is "very growth-minded." He predicted the food wholesaling company will increase unit count of Sunset Sports "dramatically" during fiscal 1984.

Sunset Sports and Oshman's both reported a weakening in gun sales during 1982. Oshman's cut sku's on its selection of guns while Sunset trimmed its inventory levels in the category.

Most of the sporting goods retailers checked reported strong sales of exercise equipment, sports apparel and footwear last year.

Clover's Parent Ups Sales, Net

PHILADELPHIA—Strawbridge & Clothier, parent of Clover Stores, reported higher sales and earnings for the fiscal year ended Jan. 29, 1983.

The company also reported sharply higher earnings for the fourth quarter.

For the year, earnings totaled $14.1 million, up 16.6%, on sales of $471.9 million, up 14.8%. For the fourth quarter, earnings were $12.4 million, up 44.8%, on sales of $171.2 million, up 14.8%. Officials credited mild winter weather conditions for the increases, along with improved inventory investment control, particularly in the final quarter.

The company operates 17 Clover stores in New Jersey and Pennsylvania, including two opened in March 1983.

Phillips leads the way with innovative packaging that's changing the way consumers buy motor oil.

Phillips Petroleum made history over a year ago as the first company to introduce motor oil in 12-Tray-Pak and 6-Pak shrink-wrap packaging. Since then, these innovative packages have gained overwhelming acceptance by retailers since they're easier to stock and stack, and by consumers since they're more convenient. They've compiled an impressive track record in two of the most successful Trop-Artic trade and consumer promotions ever in Fall '82 and Spring '83.

Save $1600 per truckload* during our summer promotion.

This summer you have another chance to profit from the proven success of Trop-Artic packaging. Save up to $2.00 per 24 one-quart cans or $1.00 per Tray-Pak (any combination of packages).

- $1.00 wholesale stocking allowance between June 15 and July 15, 1983 (a truckload must be ordered on Tray-Paks).
- 48¢ retail advertising allowance.
- 52¢ retail performance allowance based on supplemental merchandising and/or display performed between June 15 and July 31, 1983.

So profit from a proven success. For additional information and details of Trop-Artic's summer promotion, please contact your local Phillips Marketing representative or Paul Shipman, Jr., Phillips Petroleum Company, 7C11 AB, Bartlesville, OK 74004. (918) 661-6692.

*Truckload equals 800 24 one-quart cases or 1600 Tray-Paks.

The Performance Company

AUTOMOTIVE

Specialty Chain Census

Seven '83 Openings Due

Grand Auto Set to Crash Southern California Market

OAKLAND, Calif.—Grand Auto, which had been adhering to a strict financial belt-tightening plan, will loosen the strap a bit this year with the opening of seven new stores in the southern California market, new turf for the auto giant.

Entrance into that market had long been on the minds of Grand Auto management.

Following the prototype plan developed in 1979, hard parts will be located at the rear of each unit. The stores have also been upgraded with earth-tone interiors added to make the stores more appealing to an increasing number of female customers.

The expansion comes at a time when sales have increased modestly and earnings skyrocketed.

Net earnings reported for 1982 were $1,075,000 or $1.08 per share, compared to $676,000 or 69¢ in 1981.

On the flip side, sales in 1982 were $122,190,000, an increase of only 3.8% over 1981. John F. Goodsell, executive vice president and chief financial officer, said a weak economy was the culprit. He said that traditionally sales have grown between 8% and 10% annually and that in 1981 sales increased 19.8%.

The boost in net earnings was tagged to the austerity plan established by the company in the late 1970's. The plan called for the refining of the company's cost control programs including shrinkage control, and the renegotiation and integration of Grand Auto's credit line with several banks. The credit line renegotiation resulted in a net reduction of interest expense.

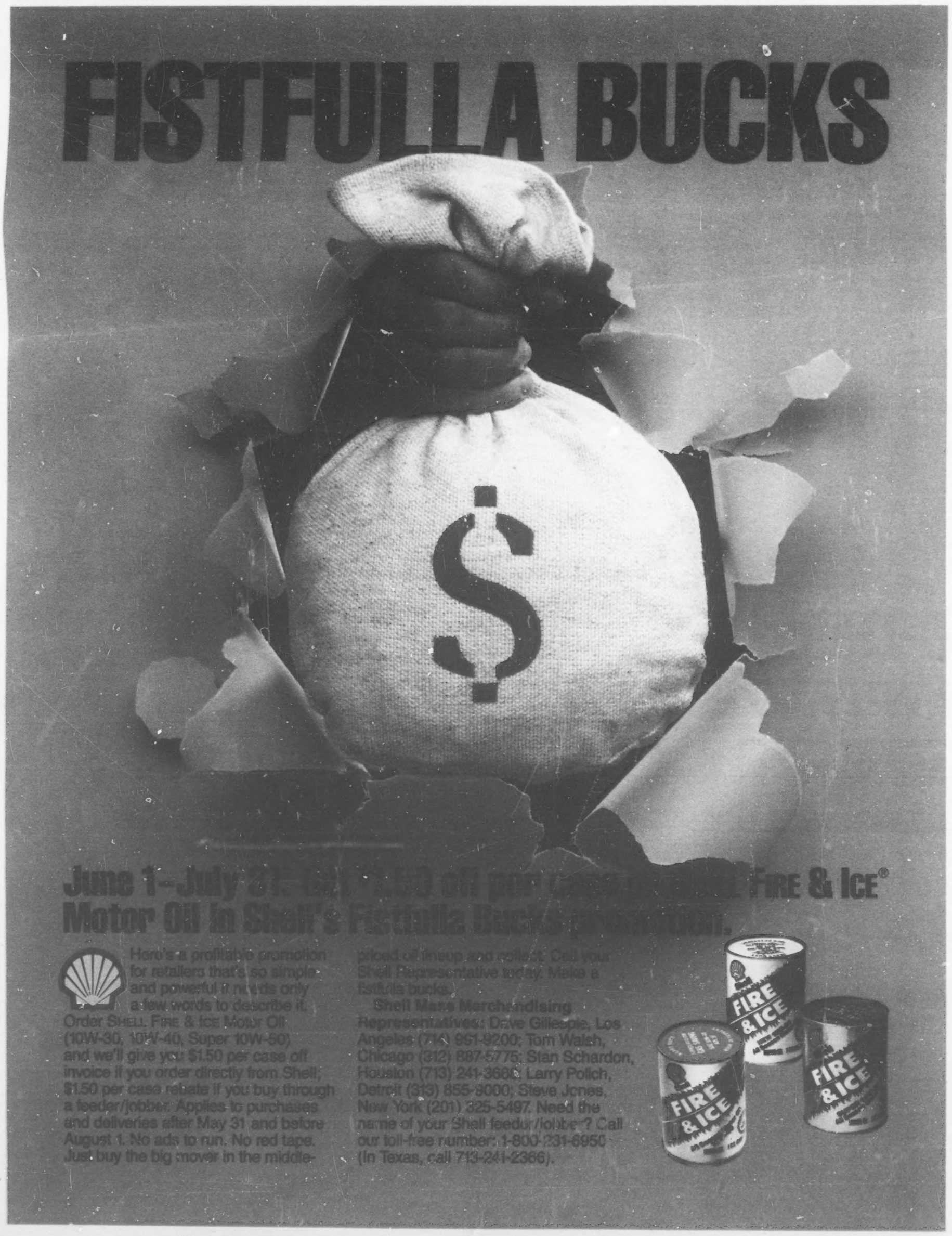
Grand Auto has 80 stores in northern California and Nevada.

Goodsell said the company veered from its policy of opening about seven stores a year in 1982, because of the nationwide recession and the feeling its "customers were strapped for money." But, he said the increase in consumer spending in the first quarter of this year was seen as a sign better economic times are ahead.

Most Chains Project Expansion

Chain	Number of units April '82	April '83	Dec. '83	Fiscal 1982 Sales (millions)
Western	3,200	2,781	2,781	$600
Pep	110	N.A.	N.A.	257*
Grand	80	80	87	122
Whitlock	75	75	80	65
Guarantee	43	48	55	27
Fleenor's	48	50	53	25
Aid	58	60	64	11
Schuck's	51	53	57	N.A.
Hi-Gear	44	46	50	N.A.
Rose	29	30	32	N.A.
Save	18	18	19	9

*N.A.—Not available. *DSN estimate.* *Source: DSN research.*


FISTFULLA BUCKS
$
June 1–July 31
Motor Oil in Shell's Fistfulla Bucks promotion.
FIRE & ICE®
Here's a profitable promotion for retailers that's so simple and powerful it needs only a few words to describe it. Order SHELL FIRE & ICE Motor Oil (10W-30, 10W-40, Super 10W-50) and we'll give you $1.50 per case off invoice if you order directly from Shell; $1.50 per case rebate if you buy through a feeder/jobber. Applies to purchases and deliveries after May 31 and before August 1. No ads to run. No red tape. Just buy the big mover in the middle-priced oil lineup and collect. Call your Shell Representative today. Make a fistfulla bucks.
Shell Mass Merchandising Representatives: Dave Gillespie, Los Angeles (714) 951-9200; Tom Walsh, Chicago (312) 887-5775; Stan Schardon, Houston (713) 241-3660; Larry Polich, Detroit (313) 855-9000; Steve Jones, New York (201) 325-5497. Need the name of your Shell feeder/jobber? Call our toll-free number: 1-800-231-6950 (In Texas, call 713-241-2366).
FIRE & ICE
FIRE & ICE
FIRE & ICE

Automotive

(Continued from page 11)

ers is one that is industrywide, with many chains trying to capture a share of the increasing number of households where the woman is the primary or sole source of income. Executives feel the returns from this new market are worth adding staff.

The rise in the DIY market has required chains to give more floor space to expanding sku's of parts and accessories.

Most chains said the rise in popularity of seat covers has forced them to stock more colors and styles in what they consider to be a "congested" category.

At Guarantee Auto Stores, a 48-unit chain primarily in Indiana and northern Kentucky, most of the 15% sales increase last year was attributed to parts and accessories. A spokesman said the impact of the DIYer acutely seen in the parts category, with more of the nonprofessionals doing the buying.

"When people go into a repair shop and see what it will cost them for an oil change or to change some spark plugs, many folks decide it's cheaper to do it themselves," he said.

While parts alone accounted for about 35% of Guarantee's business last year, tire traffic was termed "flat."

Downturn Reported

The tire category, which once held a reasonable share of the aftermarket business, has slipped down to only a small percentage of sales. Executives say the reason for the decline is the popularity of radial tires, which last longer and in many cases can also do the work of snow tires.

One area in which auto specialty chains seemed to share sentiment was in expansion. Most outlets said they would be adding units, most of them with more selling space, to conform with their new merchandising strategies.

Whitlock, which has been forging a major effort to open more superstores, units with about twice as much selling space as smaller units, recently opened three such centers in the Chicago area.

This was also the retailer's first move into that major metroplitan area. Seven more superstores are planned in this market by year's end.

CONSUMER ELECTRONICS

Specialty Chain Census

Newmark & Lewis: Selectivity Important in Buying, Expanding

HICKSVILLE, N.Y.—At a time when many CE specialty retailers are being caught up in the surge of new products and technologies, Newmark & Lewis is working to keep a measured perspective on the industry.

"We're not out to conquer the world," said Richard Lewis, president. "We are a conservative company that likes to make sure our current house is in order before we make the next move."

For that reason, he added, the 20-store chain has grown slowly, but consistently, over the years. Lewis said current plans call for no more than one or two store openings annually.

Newmark & Lewis has carefully changed with the times, though. Years ago, major appliances accounted for about two-thirds of the chain's volume, while consumer electronics—then mostly limited to radio and television—made up the remaining third. That mix evolved with the growth of CE, until the proportions were reversed.

The size of the stores has grown also, to an average 12,000-15,000 sq. ft. to make room for the approximately 2,000 sku's on hand.

Contents of the Mix

While eying the marketplace suspiciously, the chain has brought in virtually all of the newer lines, including computers, video games, projection and component TV and telephones. But Lewis made a strong case for selective buying.

"There's too much happening right now," he said. "Computers are the most troubling to us because they afford us the least profitable centers of inventory commitment. They are highly volatile, highly sensitive, but highly advertised and highly visible, "so we must have them."

Lewis called the situation a "collapsing umbrella"—with too many uncertainties about the state of the video game market, cartridges, computers and software.

"Hopefully, as the market continues to proliferate the selection will occur naturally. There will be so much out there that the weaker ones will just fall by the wayside," he said.

Currently Newmark & Lewis stores are located in New York City, on Long Island and in Westchester County, New York. An additional store may open before the end of the year, Lewis said.

"Knock wood, business has been good and profitability has been good. I see no reason to change that," he said. "This is a family-owned business with the next generation already in place."

National TV Ads Increased By Computer Manufacturers

NEW YORK—Spurred on by the highly competitive personal computer market, manufacturers have dramatically stepped up their national television advertising.

According to the Television Bureau of Advertising, national spot and network advertising by computer manufacturers reached $77.9 million in 1982, up 196% from the previous year. Computer retailers, such as Computerland and Radio Shack, spent another $1.7 million.

The bureau, which doesn't distinguish between computers purchased for personal or business use, reported that IBM led in computer advertising on TV with total expenditures of $19.9 million in 1982, double its 1981 commitment. Commodore, a newcomer to TV, followed with $14.1 million, and Warner Communications, manufacturer of Atari, came in third at $11.6 million.

Among fast-growing categories of television advertisers, computers were led only by home electronics, the bureau said. Such categories as air freight, travel, hotels and media also showed strong gains.

Product Explosion Makes Waves

(Continued from page 11)

egy.

The profits are too low and the business is too risky, many say.

For the majority, however, the potential payoff is worth the risk.

"We've decided to take our lumps now on the possibility that the computers will become a very profitable line for us down the road," says Armand Phillipe, senior vp, marketing, for Pacific Stereo.

Pacific Stereo, he says, has been caught in the squeeze of lowered margins for the equipment. However, Phillipe sees a strong profit potential in software and peripherals.

"Overall, I see them as a valuable addition to our business," he noted.

The attention and financial commitment focused on the new CE lines may explain, in part, why the growth of new stores continues at a sluggish rate for the majority of the chains.

Among the leading chains reviewed by *DSN*, there was a 2.5% rate of growth in new stores—nearly all of it by Radio Shack.

"The casualty rate for the smaller stores is just extraordinary," says Richard Lewis, president of Newmark & Lewis. His company has opted for a very conservative approach to expansion, planning to add no more than one or two stores each year.

"The market is an incredible mishmash right now," he says. "No one can sort it out and point in any clear direction. It's very troubling and very unsettling."

Directory Adds 2 Categories

NEW YORK—The growth of consumer electronics and sporting goods retailers has resulted in those categories being added to the just released 1983 Directory of Discount Stores & Catalog Showrooms, published by Lebhar-Friedman, parent company of *Discount Store News*.

The consumer electronics, audio and photo section lists 1,518 companies operating 14,044 stores. The sporting goods section lists 1,245 retailers operating 5,005 stores.

The 1983 directory also lists 400 discount companies operating 8,000 stores and 350 catalog showroom companies and coordinators operating 1,600 catalog showrooms. Food and Rx departments are also listed.

The guide is available for $139 from Lee Appel, *Chain Store Guide*, 425 Park Ave., New York, N.Y. 10022.

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CONSUMER ELECTRONICS

Specialty Chain Census

Radio Shack Tests Four Phone Centers

(Continued from page 2)

merchandised and hasn't been well-thought out in any kind of retail format."

That void, Asher noted, was created by the relatively sudden split-up of A.T.&T., which thrust it into the retail marketplace.

Another element of Tandy's decision to experiment with the centers is grounded in the belief that the small-systems market is larger than anyone currently believes—containing thousands, perhaps millions, of people who maintain offices in their homes.

To date, only the Bell PhoneCenter stores have operated in the form of a large chain, making Tandy the first established retailer to move toward that concept.

The first of the stores opened Feb. 14; Asher said it's too early to judge the results.

"But you know us. If there's one thing we're not bashful about, it's opening stores," he said. "If we don't know anything else, we know how to do that."

The Radio Shack phone centers stock just under 500 sku's in stores approximately 2,500 sq. ft. Typical Radio Shack full-line stores average between 2,000 and 2,500 sq. ft.

Each of the stores is also formatted differently, containing different carpet and wall colors, and different fixtures. Some stores use a conference room for small business sales, while others use booths.

"We have an idea of the market we want to address. Now we just have to figure out how we want to do it," Asher said.

Aggressively moving into new markets, coupled with mass store openings, has played a major role in making Radio Shack the giant in specialty consumer electronics chains.

The Strategy

Last year, the company continued its strategy of opening computer centers and retail stores at a quick pace, with 334 units added.

The new stores contributed to total sales of nearly $2.3 billion for the calendar year, a 20% increase over the previous year.

First-quarter projections show sales rising 25%.

There are 388 computer centers now operating along with 533 expanded computer departments in full-line stores. All Radio Shacks carry a selection of the personal computers.

This is ample testimony to Tandy's commitment to the market and their belief in its potential, according to Ron Stagell, vp, computer marketing.

In fact, Tandy may be one of Radio Shack's largest customers, using more than 5,000 of the units for data capture—sales, inventory control and ordering—which is then sent nightly to Tandy's mainframe computer in Fort Worth.

Stagell argued that only a fraction of the small-computer market has been touched by manufacturers, making a case for the intensely competitive atmosphere that has lately been giving other retailers headaches.

He said that while Radio Shack would continue marketing units designed primarily for in-home use, the small-business and educational users will retain the greatest share of the company's interest, at least in the short term.

According to Asher, Tandy plans to continue opening the computer centers at the rate of 125-130 annually.

While computers and telephones are lately occupying a good deal of the attention, Tandy appears to be maintaining its involvement with audio and electronic gadgets and accessories.

Still A Major Factor

Stereo systems are still prominently displayed along side and rear walls of most stores, and the number of sku's in the chain's catalog appears to have expanded slightly.

Further evidence can be seen in last summer's acquisition by Tandy of the consumer products division of Memorex, accounting for about $80 million in sales.

In fact, only one consumer electronics area has eluded Radio Shack's grasp—video, according to Bernard Appel, exec vp.

"We were in video discs for awhile, but it didn't work out very well, so we sold the model," he said. "We're just not very strong in home video. We've kept some small TVs, but nothing bigger than a 13-in. color set."

When displayed in Radio Shack stores, that color set is usually set up as a video display terminal for one of the computers, which may account for some of its success.

However, video won't make a comeback in the stores, at least in the foreseeable future, Appel said.

Company officials said they can live with that missing link for the time being, content with profits that rose 23.3% in 1982.

Those kinds of results have made Tandy the CE retailing darling of at least some Wall Street analysts, who maintain a constant—if somewhat skewed—outlook on the industry.

"Tandy, Tandy, Tandy," said one. "They are so much bigger than everyone else that there's really nothing else to watch. At least for the moment."

American of Madison Thrives on Odd Trio

MADISON, Wis.—American of Madison is a hybrid among discount specialty stores.

The chain of just three stores recorded $100 million in sales last year through a peculiar mix of consumer electronics, appliances and furniture.

Additionally, there is little similarity among the stores. The largest, in Madison, covers 115,000 sq. ft.—while the location in Marquette, Mich., is 30,000 and the store in Appleton, Wis., is just 10,000 sq. ft.

"The stores have just built up that way," said George Ruhle, president. "It may be an unusual combination for everyone else, but not for us."

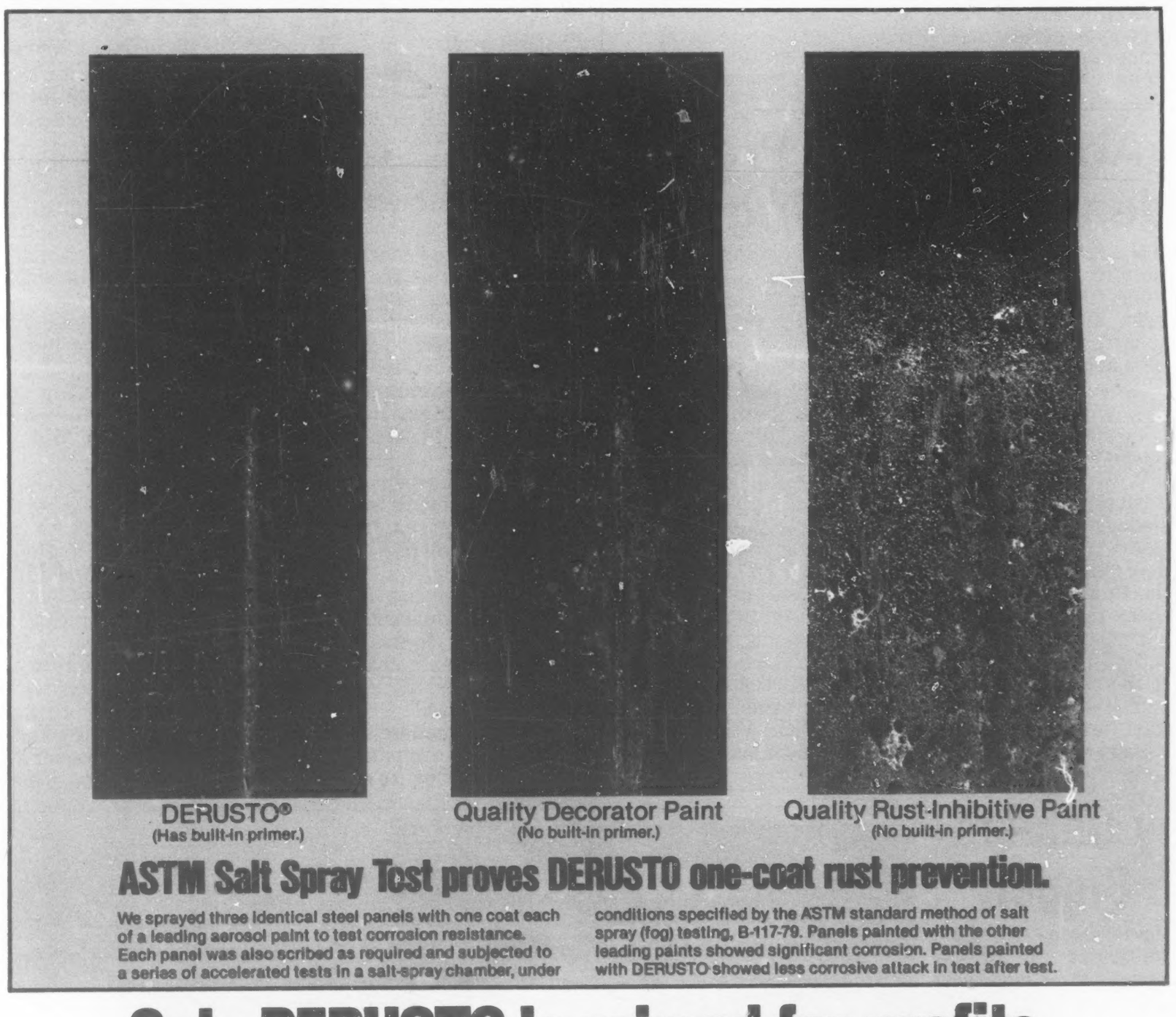
The stores carry an estimated 1,500-2,000 sku's with audio products producing the largest volume.

A separate computer department was added about one year ago. Ruhle said the chain also carries a wide assortment of home video, telephones and accessories.

Originally, the company was a small television store with volume under $2 million. Its strong growth pattern began in 1973, at about the same time the rest of the CE industry underwent major expansion. However, Ruhle resisted the trend to open large numbers of stores.

"We run our stores very intensively in developing strong sales per square foot. We felt we could control it better with a minimum number of stores and a high level of management capability," he said.

Sales per square foot reached $645 last year.



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TOYS

Specialty Chain Census

Kay-Bee, on a Roll, Projects 60 Bows

LEE, Mass.—Kay-Bee, under the financial wing of its parent company Melville, opened 93 new stores in 1982 and closed two, raising the number of units to 361, a 33% increase over the previous year.

For 1983, Kay-Bee president Howard Kaufman forecasted the company would open an additional 60 stores and close three, bringing the chain's roster up to 418 locations in some 46 states. The heaviest concentration of outlets is presently in New York with 41 stores. Pennsylvania has 29 units, California 25 and Ohio 22.

Kaufman reported all new stores will be "located in enclosed malls throughout the country."

Sales for Kay-Bee surged 71% in 1982, to $183 million, compared to 1981's $107 million. This marked a significant contribution to the Melville conglomerate's portfolio since companywide sales rose only 18.1% in 1982 over the previous year.

Melville's annual report indicated that Kay-Bee accounted for 5.6% of Melville's total sales.

Melville acquired Kay-Bee in July 1981 for $64.2 million, and laid out an initial $7 million. The $57 million balance is being paid over a three-year period. The corporation's motive was to expand its assortment of specialty store chains to a new area, enhancing its stance in dealing with shopping center developers.

The specialty chain list now includes Meldisco footwear departments in K mart, Thom McAn shoes, Open Country shoes, Melville Footwear Manufacturing, Marshalls apparel, Foxmoor women's apparel, Chess King men's apparel, Wilson's leather and suede apparel, CVS drug stores and Kay-Bee.

Kay-Bee stores average 3,500 sq. ft. in size.

Toy World Is Now Up For Sale

BURBANK, Calif.—Toy World, as part of the Wickes Companies' latest bankruptcy proposal, is now up for sale.

The West Coast-based toy chain, which Wickes acquired when it purchased Gamble-Skogmo in 1980, closed eight units in 1982—two in Washington and six in California. That brought the current count to 45 units. The roster now includes one outlet in Nevada, seven in Arizona, three in Utah and the rest in California.

At presstime an investment banking firm was working on the Toy World sale, but the dollar value placed on the chain wasn't available.

At store level, however, it is business as usual according to a chain official, who expects 1982's sales of $33 million to increase 10% in 1983, reaching approximately $36 million.

Wickes filed Chapter XI on April 24, 1982. with skyrocketing interest rates and other factors crippling the corporation since it assumed a $563 million debt when it acquired Gamble-Skogmo.

Negotiations are currently under way to reorganize Wickes and repay its creditors.

It was decided in February 1983 that Toy World "wouldn't fit into the company's reorganization plan," stated an official. Other retailing companies that Wickes is divesting include Rasco, J. M. McDonald, Farmaster and Wickes Engineered Materials.

Toys "R" Us Charts New Enterprises

(Continued from page 11)

nadian stores, earmarked for the Toronto metropolitan market for 1984.

An even more exotic foreign venture, however, is the company's recently signed licensing agreement with a firm from Kuwait—Alghanim—in which Toys "R" Us will provide technical assistance and buying services to launch toy stores in the Middle East. The first such unit is targeted to open in Kuwait in September.

Back on the domestic front, the bullish company added 24 new units in 1982, and plans to open another 25 this year, bringing the year-end count to 169.

By the end of 1983, the chain will cover some 30 markets in 37 states. The new markets it will be entering this year included parts of Tennessee and Georgia, including Atlanta. Last year it debuted in the southeastern Florida area in five locations—West Palm Beach, Altamont Springs, Hollywood, Hialeah and Plantation.

In 1982, electronics accounted for a growing percentage of the chain's sales. Last year it comprised 18% of the chain's total volume in contrast to 1981's 11%.

"Electronics has helped expand the toy market from just children to teenagers and adults," stated a chain official. "It has helped us expand our customer base."

To accommodate this rapid growth, the company is presently renovating its electronics display, enabling customers to view merchandise through plexiglass cases. These changes will be completed chainwide within the next few months.

President and chief operating officer Norman Ricker announced two top management changes at presstime. Seymore L. Ziv, 57, was promoted to the new position of executive vice president-product development, and Howard W. Moore, 52, was named executive vice president-general merchandise manager. Ziv is a 25-year Toys "R" Us veteran, previously holding the title of senior vice president-general merchandise manager.

Lionel, Creditors Agree

(Continued from page 2)

itors rejected didn't call for the sale of its Dale interests and also proposed a smaller initial payment.

In further efforts to reposition itself in the toy business, Lionel closed 49 stores in 1982 including its 18-unit basic toy store division which operated under the name Toys Plus. Seven of these outlets were sold to an independent toy retailer; the rest were closed. That marked the exit of Lionel from states including Alabama, Arkansas, California, Texas, Ohio, Kansas, Minnesota and Virginia.

Currently, Lionel operates 56 toy supermarkets spanning 14 states. The heaviest concentration is in the southern New Jersey and Philadelphia markets. The Southeast also remains strong with 12 stores in Florida and four in Georgia.

The northeastern outlets are called Lionel Kiddy City; those in the Baltimore market are called Lionel Toy Town and the rest are run under the Lionel Play World logo. This is the result of the company's past strategy of growth by chain acquisition.

Additional efforts to retrench Lionel's operations included the closing of six warehouses in 1982 and a 20% reduction of the home office staff in Philadelphia, according to Lionel Leisure president and chief operating officer Steven Becker.

As a result Becker reported the chain is already experiencing "some profit gains" for 1983 after the "substantial operating losses of 1982."

The chain, which began 1982 with 105 stores doing $240 million in sales, closed that year with 81 stores ringing in $180 million.

In 1980, Lionel acquired 40 stores through the acquisition of two toy chains in Texas and California.

Analysts agree this shotgun expansion was ill-timed with the arrival of the country's recession and is believed to have triggered the company's Chapter XI. When the company filed for bankruptcy it claimed a net loss of $5.5 million.

FTC Abandons Ad Probe Of Ideal's Slot-Racing Set

WASHINGTON—Federal Trade Commission officials closed down an investigation of allegedly false and misleading advertising in connection with recent promotions for Ideal's Dukes of Hazzard Electric Slot Racing Set.

After reviewing the evidence collected by Federal ad investigators, FTC Consumer Protection Bureau Deputy Director Amanda Pedersen told Ideal that "it appears that no further action by the commission is warranted at this time" and that the probe has been terminated.

In notifying the manufacturer of the action, Pedersen cautioned that the closing isn't "a determination that a violation may not have occurred," and that FTC "reserves the right" to take further action against Ideal toy ads in the future.

The agency didn't reveal what aspects of the slot racing set ads had been under scrutiny.

In the past, however, FTC has imposed somewhat more rigorous standards of fairness and accuracy to product advertisements designed for young children. Among other things, the commission has questioned ads that portray toys performing stunts or tricks.

For a time, FTC considered plans for even more stringent regulations governing children's advertising, including an all-out Federal ban on TV commercials directed at the very young. The commission's controversial "Kid-Vid" proposal was withdrawn last year, however.

Hobby Centers To Be Bigger

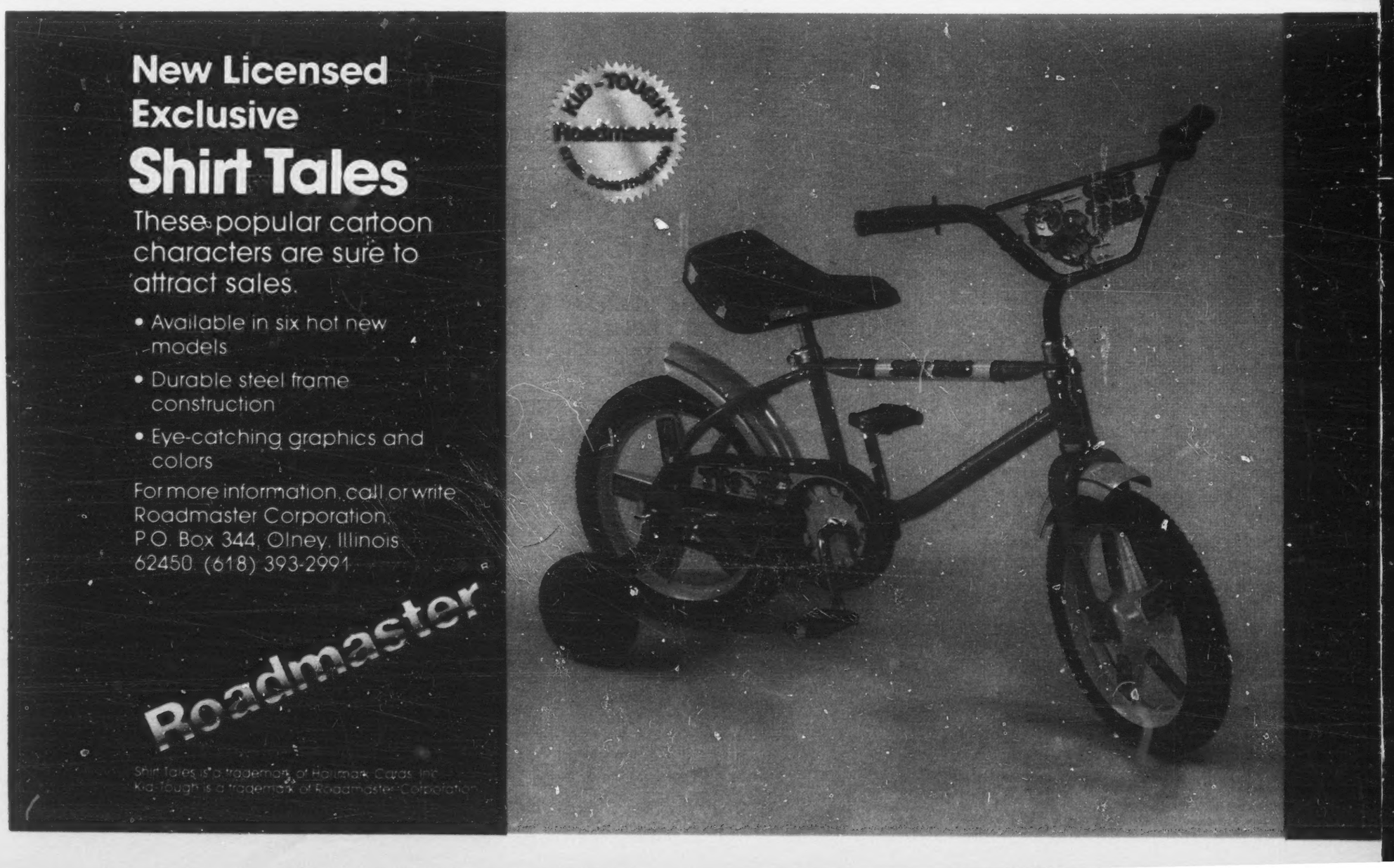
HOLLAND, Ohio—Hobby Center is enlarging its stores, with its newest outlet measuring 4,400 sq. ft.

"Wherever larger space is available we are trying to work out an opportunity to move in," stated Ben Savino, vice president for the 22-unit, family-operated chain. The stores are typically 2,200 sq. ft.

Two new stores are targeted to open this year, with possible sites slated for Michigan and Ohio. These units will measure 3,000 to 3,500 sq. ft. and will be located in malls.

Sales for 1982 were flat compared to the previous year's $8 million, Savino reported, pointing to the recession and inclement weather. But the outlook for 1983 is more promising, he said. After a strong Christmas season, he hopes to see a 7% to 8% improvement.

Savino noted the chain has been shifting further away from promotional toys and is establishing a strong reputation as a source of high quality merchandise.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APPAREL

Specialty Chain Census

Apparel

(Continued from page 11)

ing in general merchandise retailing . . . off-price apparel specialty stores. It's estimated that off-price retailers now control only about 6%, or $5 billion, of total apparel sales. But that figure is expected to leap to 25% of the current $80 billion-plus apparel business by the end of the decade.

What the chains are doing now is, obviously, jockeying for position in a retailing category that is becoming so crowded, so competitive that the words "growth" and "shakeout" are both used in the context of off-price apparel.

With the proliferation of competition, off-price operators are trying a variety of formulas to set them apart.

According to Gary Rosenberg, vice president of San Francisco-based Pic-A-Dilly, one of the changes taking place is that off-pricers are now starting to advertise on a regular basis.

Advertising Upped

"Most off-price chains never used to advertise at all," said Rosenberg. "Now they're doing it because of the competition. We have started advertising too, but we don't believe it's a defense mechanism. We're trying to create awareness of what our stores represent."

When the off-price business began to blossom, about three years ago, an often stated concern about the future of the business was the availability—or lack of availability—of merchandise when the economy turned around and manufacturers no longer had to rely on off-price retailers to unload their overruns.

Off-price retailers contend that concern has now been laid to rest; plenty of merchandise will fill their growing pipelines. chain, put it this way: "One of the things which created the off-price retailing industry was our excellent vendor relations. We buy on a net basis; we talk price but we don't talk all kinds of advertising and return deals like the department stores do. For manufacturers, off-price chains offer a very clean and profitable business that they've come to rely on."

ClothesTime, a specialist in casual apparel for young customers, is experimenting with larger stores and a layer of higher price points, to attract customers to about age 34.

ClothesTime: 5-Year Plan

(Continued from page 2)

T. J. Maxx and Marshalls. We can also open up next to these chains and be very successful. More direct competition for us are chains like Pic-A-Dilly and Dimensions."

Although ClothesTime has been concentrating on a 3,000-sq.-ft. store prototype, the chain is now experimenting with three stores in the 6,500-sq.-ft. class stocking higher priced merchandise—with such labels as Ann Klein, Gloria Vanderbilt and Ellen Tracy. The experimental stores also include a career shop although the stock remains highly sportswear oriented; the fashion emphasis remains casual.

Nielson said: "We're working on the new prototype in order to increase our customer base from 14- 24-year-olds up to about age 34, but we have no intention of losing our young customers. We want to give our customers greater selection, and we've added higher price points because off-price customers have shown time and again they want quality merchandise."

In Nielson's view, a key to successful off-price chains, particularly launching one from scratch, is a strong management team with experience in the off-price field.

Child World No. 2 in Toy Sales

(Continued from page 2)

tronics.

Further growth is projected for 1983, when the electronics volume is expected to comprise at least 25% of total sales.

While Chase reported the strength of the video and computer business in 1982 adversely affected other toy areas—such as bicycles, boys' toys and board games—he expects this trend to turn around this year.

"As computers become a larger percentage of the electronics business than video, the stores' customer base will grow to include more adults."

For the current year Chase already reported a bounce-back in some of the categories the video craze helped soften last year. He projected "strong double-digit increases" in nonelectronics areas for 1983.

Two promotional tools Child World implemented last year and continues to use with significant results, according to Chase, are a mothers-to-be registry and a birthday club for children under 12.

ADG in Accord To Pay $96M For Loehmann's

NEW YORK—Once again, Associated Dry Goods, the $3 billion retail conglomerate, went to the head of the class for its entry into a new retail segment.

Two years ago, the department store group purchased Caldor, the Norwalk, Conn.-based upscale discounter. Now, it has signed a letter of intent, agreeing to pay $96 million in cash for Loehmann's, the 61-store off-price women's apparel chain reputed to do $260 million in sales.

Not long after Caldor's acquisition, ADG's management acknowledged its strategy was to beef up its position in upscale discounting; its next stated objective was an entry into the off-price women's apparel specialty store business.

The result was the agreed-to purchase of Loehmann's from AEA Investors, a privately held diversified group which purchased Loehmann's in 1980, when Loehmann's was a public company, for about $68 million.

Wall Street analysts concur ADG and Loehmann's are a good match.

Bruce R. Grier of Drexel Burnham Lambert said "Loehmann's puts ADG in the upscale end of the off-price business. That's good synergism with their department stores and Caldor."

With Loehmann's expected to operate autonomously as part of ADG, and George J. Greenberg, chairman, president and chief executive officer, continuing in those capacities, Grier added: "George Greenberg has already been through three evolutions with Loehmann's. He worked for the widow of the founder of Loehmann's; he headed it when it was a public company, and he headed it when it was owned by the investor group. He ought to work well with William Arnold, ADG's chairman and ceo."

Grier also speculated Loehmann's could be used as a vehicle to move into unproductive ADG department store sites.

"I'm not saying ADG is going to close down another whole group of department stores, but there's always a particular location among department stores that doesn't do well."

Regarding the $96 million purchase price, AEA investors made a healthy $28 million return on their original investment in less than three years. Since privately held Loehmann's earnings aren't disclosed, analysts could only estimate whether ADG was getting good value for its $96 million.

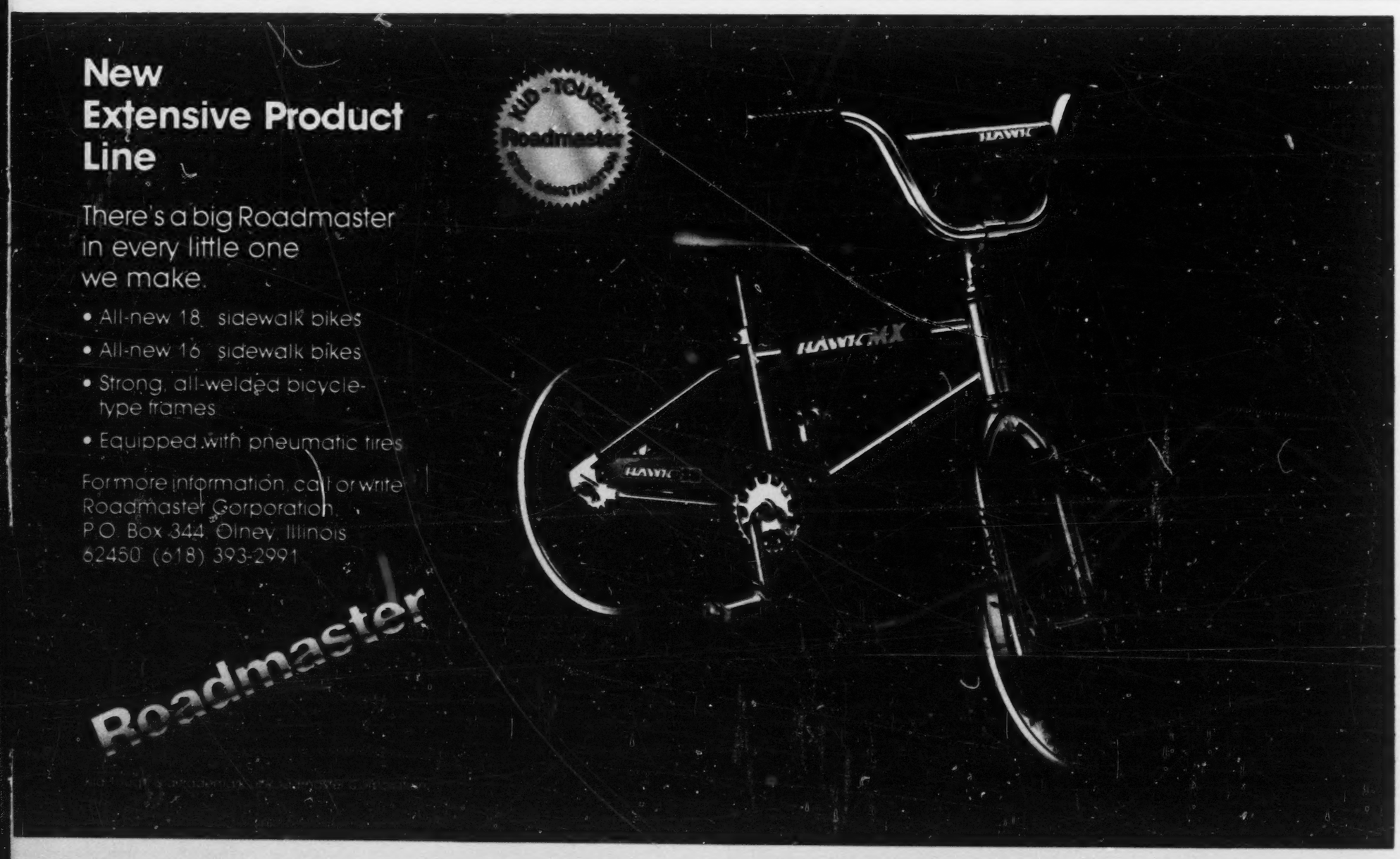
Adding It Up

Jeffrey Edelman of Dean Witter Reynolds said he believed Loehmann's pretax earnings were $20 million last year on sales of $260 million. "That would mean ADG is paying 9½ times earnings," said Edelman, "and that's a reasonable price. It's a good acquisition for ADG."

Reluctant to comment on the price for Loehmann's without a bottom-line figure, Grier commented: "I could name many acquisitions that seemed on the high side at the time. Everybody said Dayton Hudson paid a high price for Mervyn's; they said ADG paid too much for Caldor. When ADG bought Caldor it paid a price that did dilute per-share earnings in the beginning. But look what Caldor did for ADG in sales and profits."

Edelman also noted ADG sold its two-unit Diamond's department store division shortly after the Loehmann's acquisition was announced; the decision to close Stewart's had already been made.

"Closing these two divisions and adding Caldor and Loehmann's means a big change in the composition of ADG," said Edelman. "Now, about 35% of ADG sales will come from discount, or off-price, stores. Two years ago, ADG wasn't even in this business."



U.S. Importing More Apparel

ARLINGTON, Va.—In 1982 apparel imports in the United States increased by 8% in square yards and 9% in value over 1981, according to the annual issue of the *Apparel Import Digest*, published by the American Apparel Manufacturers Association.

United States imports of all apparel last year amounted to 121,353,000 dozen or 1,456,-236,000 garments. The value of these 1.5 billion garments was $7.1 billion and represented 3.38 billion sq. yds. equivalent.

The association's *Digest* also said that while apparel imports increased 9% in value in 1982, exports declined 25%, resulting in an apparel trade deficit of $6.6 billion.

Imports in all three major fiber categories increased in 1982: cotton by 6%; wool, 3%, and man-made fibers, 9%.

Apparel imports from Hong Kong, Taiwan, Korea, and the People's Republic of China supplied 70% of the total coming into the United States.

5/25/83

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NMRI Convention: Pp. 17-101

New Productivity Survey: P. 86

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Stores, Merchandise Upscaled by K mart; Diversification Gains

TROY, Mich.—Following a two year in-house study of its strengths and weaknesses, K mart is on a new course. It's upgrading stores and the merchandise mix to boost the return from existing stores; and it's reaching out for ways to diversify the business.

Chairman Bernard M. Fauber called 1982 "a turning point" for K mart, and 1983 plans for accelerating the groundwork already laid for the K mart of the 1980's were made.

Among the plans for the K mart stores in 1983 are:

- The installation of its "Names for Less" branded apparel program in about 500 stores by the end of the year. Abetting this program will be the addition of Wrangler jeans in all stores, in all size ranges.
- The spread of its Kitchen Korner, brand-name, fashion-oriented housewares area, to about 300 stores, following its successful 1982 introduction in 27 stores.
- The new Bed and Bath Shops, also 1982 introductions, are planned for approximately another 300 stores.
- New consumer electronics centers will be placed "in several hundred" stores following their successful 1982 test-marketing.
- With the added emphasis on brands in soft and hard lines, K mart has traded in its ad theme "K mart is your saving place" for "The brand name savings store."

(Continued on page 40)

Marshalls launched a new prototype in Denver to distinguish it from the off-price competition. It features a race track format, a new color scheme, lighting, fixtures and department signs.

Marshalls Upgrades Prototype As Off-price Competitors Sprout

WOBURN, Mass.—Marshalls, largest of the off-price apparel chains, has responded to its market-by-market competitive traffic jam with a new, upgraded prototype to distinguish it from its rivals.

In the "new" Marshalls the color scheme is mauve-to-purple; there's a race track configuration; about half the fixtures are new; and all merchandise dumps have been abolished.

The prototype for the Marshalls stores, which average about 30,000 sq. ft., was given a trial run with the chain's entry into the Denver market. When the new approach was declared a success, management gave the green light to the "Denver look" for all stores—approximately 38—scheduled to open in 1983. To date, about 20 stores have opened with variations of this prototype.

Some existing stores are scheduled for the Denver-type overhaul. The remodeling will begin with about three stores in the Washington, D.C., area a market that's a strong one for Marshalls and where the age of the stores puts them at the head of the list of those due for refurbishing.

"We used to have much less off-price competition in each market, but now we're locking horns with everybody."—
Dennis R. St. John, vp, Marshalls.

Dennis R. St. John, vice president of facilities, explained why management of Marshalls, whose 108 stores delivered sales of $829.9 million in 1982, for a 34.2% increase over 1981, felt the time was ripe for presenting an upgraded image.

"We used to have much less off-price competition in each market, but now we're locking horns with everybody, chains like T. J. Maxx and J. Brannam," said St. John.

"Most of our type of operations had essentially the same look. Everyone presented a 'big box' filled with merchandise and little attempt at presentation or merchandise highlighting. We've all just been telling customers, 'here it is.' With our new image we intend to eliminate customer confusion among the off-price competition and present a higher-quality image than the competition."

Marshalls' "big box"—which has traditionally used straight line, front-to-back placed mer-

(Continued on page 119)

NMRI, AGMC Continue To Debate Merger Bid

NEW YORK—The decision about whether to merge the National Mass Retailing Institute (NMRI) and Association of General Merchandise Chains (AGMC) was still being debated at press-time.

But, sources close to the deliberations say the process is moving ahead, and that they expect the merger committee formed by each organization to set a single, final proposal before the NMRI's board of directors for a vote during the group's annual meeting in New Orleans.

The proposal most likely to be put on the table, according to reports, is for a trade association that has one (retailer) chairman, two presidents and two offices, neither of which would be a headquarters office.

Richard I. Hersh, president of the NMRI, would be president of the New York office and Ed Borda, president of the AGMC, would head the Washington office.

The New York office would handle meetings and conventions and most membership functions, while the Washington office would handle legislative and lobbying matters.

(Continued on page 116)

Faithful to Discount Roots, However

Expanding Mars Selectively Trades Up

By BRENT H. FELGNER

CHICOPEE, Mass.—Mars Stores, on an expansion kick, has launched a campaign to "selectively trade up"—mostly in apparel—while trying to keep a firm grasp on its traditional discounter roots.

The effort has, by design, fallen well short of anything approaching the category of upscaler as defined by the Bradlees or Caldor prototypes. But, the nine-store chain made noticeable strides in fixturing and merchandise assortments last month at the opening of its newest store, the first in the Chicopee-Holyoke-Springfield market.

The 56,000-sq.-ft. entry is the second in a series of four new stores—all of them former King's locations—scheduled to debut this year, bringing the chain's total to 11 units. Stores in Ludlow and Salisbury will bow this summer, while a store in Lowell opened in March.

The four stores will increase Mars' selling area by 50% to an approximate total of 720,000 sq. ft.

The expansion and trade-up

(Continued on page 114)

"We're trying to develop a brand-name image. But, you still have to promote your discount store on a price basis."—Paul Kwasnick president and ceo, Mars Stores. *(DSN photo)*

Digest May 16, 1983

NMRI CONVENTION

- ***DSN*'s special section on the NMRI convention includes:** a look at the New Orleans market (p. 18); seminar previews (pp. 23-37); chain profiles (pp. 38-57); computerization (pp. 58-65); advertising (pp. 66-74); store operations (pp. 75-90), and personnel (pp. 92-94).

CATALOG SHOWROOM NEWS

- **Consumers Distributing (U.S) finally turns a profit. (p. 5)**

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ADVERTISING

NMRI

Top 15 Discount Department Store Local Television Advertisers in a Single Market (1982)

Chain	1981	1982	% Change
Gemco, Los Angeles	$1,909,600	$3,238,500	+ 70
Fred Meyer, Portland, Ore.	1,932,800	2,026,900	+ 5
Zodys, Los Angeles	1,786,400	2,003,400	+ 12
Fortunoff, New York	1,025,500	1,998,100	+ 95
Wal-Mart, Dallas	1,315,300	1,754,500	+ 33
Target, Dallas	542,500	1,681,600	+210
FedMart, Los Angeles	1,591,700	1,652,000	+ 4
Target, Houston	612,600	1,642,100	+168
Wal-Mart, St. Louis	1,367,400	1,624,600	+ 19
Richway, Atlanta	1,325,600	1,334,400	+ 1
Wal-Mart, Nashville	413,700	1,259,300	+204
Wal-Mart, Kansas City	699,700	1,172,400	+ 68
Gemco, San Francisco	1,174,800	1,166,700	− 1
Richway, Charlotte	589,600	1,140,900	+ 94
Richway, Miami	—	1,123,100	+ inf.

Top 15 Discount Chains in Local Spot Television Expenditures (1982)

Chain	1981	1982	% Change
Wal-Mart	$7,327,300	$10,756,800	+ 47
Target	6,313,600	8,755,000	+ 39
Gemco	4,337,800	6,321,500	+ 46
T.G. & Y.	4,115,400	4,370,000	+ 6
Zayre	4,821,300	3,661,800	− 24
Richway	1,915,200	3,598,400	+ 88
Hills	3,221,400	3,505,500	+ 9
Woolco	1,431,700	3,472,100	+143
Fred Meyer	2,637,900	2,991,700	+ 13
Zodys	2,103,000	2,884,300	+ 37
FedMart	2,794,400	2,476,900	− 11
Venture	2,302,700	2,231,200	− 3
Meijer's	1,499,000	1,875,900	+ 25
Jefferson/Ward	2,185,800	1,796,600	− 18
Rose's	1,246,600	1,717,900	+ 38

Note: Most co-op activity is credited to the manufacturer by BAR and not to the above retail advertisers.
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data in top 75 markets.

Most Top Single-Market TV Spenders In 1982 Were Located in South, West

NEW YORK—Most of the big single-market television spending by discounters in 1982 was in the South and West.

The annual figures compiled by the Television Bureau of Advertising indicated that heavy TV expenditures in such markets as Los Angeles, and more recently in Dallas and Houston, have bumped such chains as Lechmere and Bradlees in Boston off the list of the top 15 discount store local TV advertisers in a single market.

Los Angeles remained the most competitive of the TV markets with Gemco, Zodys and FedMart all increasing their ad budgets for the year.

Most of FedMart's spending came in the first half of 1982 with the TV budget going to support its going-out-of-business sales.

FedMart's departure isn't likely to relieve any competitive heat in TV advertising during 1983 with Target entering the market.

Target's 210% increase in TV spending in Dallas and 168% increase in Houston are clear indications of the heavy TV support accompanying the Minneapolis-based chain when it enters a new market.

In 1981, Wal-Mart captured two positions among the top 15 advertisers in a single market—for its advertising in St. Louis and Dallas. In 1982, the Bentonville, Ark.-based chain took four of the top 15 slots—for its TV outlets in Dallas, St. Louis, Nashville and Kansas City.

The 'Big Four': Ward Halved TV Outlay

NEW YORK—Montgomery Ward slashed its television advertising budget by 55% last year, according to figures compiled by the Television Bureau of Advertising.

The troubled retailer has been steadily cutting back its TV expense. Last year it dropped network advertising, and local ads were pared down to $9.3 million, less than half of 1981's local TV spending of $20.6 million.

Among the country's top four retailers, Sears and K mart increased their TV spending last year, by 21% and 17% respectively.

K mart's outlay of close to $40 million was characterized by a big jump in network spending. In 1982 the giant discounter spent $32.5 million.

Television Advertising by the 'Big Four'

Chain	1981 Network	1981 Local Spot	1981 Total	1982 Network	1982 Local Spot	1982 Total	% Change
Sears	$73,204,700	$ 9,192,700	$82,993,600	$87,540,100	$12,544,700	$100,084,800	+21
K mart	11,800,100	22,349,500	34,149,600	32,469,800	7,446,500	39,916,300	+17
Penney	25,555,900	10,311,700	35,867,600	23,790,500	11,656,400	35,446,900	− 1
Ward	121,800	20,612,200	20,734,000	—	9,309,800	9,309,800	−55

Note: Most co-op activity is credited to the manufacturer by BAR and not to the above retailers.
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

STORE OPERATIONS

NMRI

Discounters, Catalogers Do 40% of Housewares Makers' 1982 Sales

CHICAGO—Discounters/mass merchandisers and catalogers accounted for a whopping 40% of housewares manufacturers' total sales in 1982.

This represented an $8 billion slice of manufacturers' sales of $20 billion last year.

Figures Analyzed

The discounter/mass merchandiser category accounted for a 28% share in 1982, the same as in 1981. Catalogers, however, gained two percentage points in market share with a 12% share in 1982 compared to 10% in 1981.

These are among the findings reported in the 16th annual National Housewares Manufacturer Association research study of the industry.

In terms of market share by retail segment, in 1982 it appeared the catalogers' housewares gain was the department stores' loss.

Last year department stores' market share was 9%, a two-percentage-point drop from their 11% share in 1981.

The housewares market share lineup for the balance of the retail segments was: drug stores, 6%; food stores, 5%; housewares/hardware stores, 5%; variety stores, 3%; buying syndicates, 3%; mail order, 2%; home centers, 2%; all other, 7%.

Another finding of the study was that manufacturers' sales directly to retailers continued to increase. In 1982 industry sales direct to retailers hit an all-time high, accounting for 82% of total sales. In 1981 direct sales were 80% of the business.

Of the 18% of manufacturers' sales to wholesalers, the largest share, 7%, was to housewares/hardware distributors; electric housewares distributors and rack jobbers accounted for 3% each.

The study also reported manufacturers' total dollar sales last year increased by 5%, moving over the $20 billion mark for the first time.

Rising Trend

This increase represented a rate of growth higher than two of the country's leading economic indicators. Gross national product, for instance, rose by just 4%, and the personal income index gained only 3%.

Still, the 5% gain in manufacturers' sales was the smallest one for the industry in the past seven years. Gains for the prior three years were 9% in 1981; 11% in 1980, and 16% in 1979.

% of Housewares Mfrs.' Sales by Retailers

Retail Segment	1976	1981	1982
Discounters/Mass Merchants	20%	28%	28%
Catalog Showrooms	6	10	12
Department Stores	7	11	9
Drug Stores	4	6	6
Food Stores	5	6	5
Housewares/Hardware Stores	5	4	5
Variety Stores	6	5	3
Buying Syndicates	1	1	3
Mail Order	4	2	2
Home Centers	2	2	2
All Other	6	5	7

Source: National Housewares Manufacturers Association

The association's study, conducted by the research firm B. Angell & Associates, also queried the 605 responding housewares manufacturers about price increases.

Housewares prices did go up in 1982, but the increases were smaller, an average of 6.1% compared to 7.5% in 1981. In addition, the number of manufacturers who reported price hikes was smaller. In 1982, 41% increased prices; in 1981, 68% of responding manufacturers increased prices.

For 1983, 56% of manufacturers said they expected to raise prices. The good news for retailers is that the price hikes are anticipated to average only about 5.1%.

1982/83 Housewares Color Preferences

Bath/Closet Accessories	Most Popular '82	Projected '83
White	27%	28%
Almond	25	25
Brown	18	13
Blue	11	16
Pink	11	13
Pastel	8	6
Yellow	6	10
Kitchen Appliances/ Accessories		
Almond	60	54
White	35	41
Yellow	7	7
Brown	6	6
Serving/ Buffet Products		
Almond	25	21
White	22	24
Brown	16	12
Blue	6	9
Yellow	6	8
Clear	6	7
Metallic	6	6
Earth Tones	6	5

Source: National Housewares Manufacturers Association

If you haven't connected with the do-it-yourself market, maybe you need better connections.

Let Sylvania introduce you to our fast-moving line of home electrical supplies.

Here's a line of over 1000 electrical items designed to convince customers that your store is the place to go for everything they need.

The line includes wiring devices, cords, telephone accessories, switch and outlet boxes, load centers and circuit breakers.

Each item comes in high-impact packaging complete with easy-to-follow instructions. And they're all made to our strict standards and backed by the Sylvania reputation for quality.

That's what Sylvania offers your customers. Here's what Sylvania offers you: A full product line that can be tailored to fit your local market, merchandising tools and programs that will bring in the do-it-yourself customers and keep them coming back.

It all adds up to the fast way to move into the fast-moving do-it-yourself electrical market.

SYLVANIA GTE

Hatch Will Speak At AGMC Parley

WASHINGTON—Sen. Orrin Hatch (R-Utah), chairman of the U.S. Senate Labor and Human Resources Committee, will address the Association of General Merchandise Chains' 1983 Personnel/Labor Relations Conference.

It will be held June 15-17 at the Key Bridge Marriott in Arlington, Va.

Timely industry issues, including pre-employment selection techniques, performance appraisal, employee discipline and counseling procedures, and age discrimination, will be discussed.

Conference participation is open to nonmembers of AGMC and is available on a first-come, first-serve basis. To register or obtain more information, contact the AGMC Meetings Department at 202-785-2060.

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CES Section With Supplement On Home Computers: Pp. 31-65

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The Sky's the Limit

Direct satellite TV receivers are selling in selected Wal-Mart stores around the country. The units, including a 10-ft. dish and receiver, are priced at $2,495. *(DSN photo)*

Wal-Mart Leads Chains In Overall 1982 Results

Nationwide DSN Report

Wal-Mart had the best overall performance—including the greatest increase in sales and net income—among major publicly held discounters, catalogers and specialty retailers last year.

The discount industry's No. 2 chain's results in 1982 included boosting gross margins, cutting S.G.&A. and moderating the increases in inventory levels used to fuel its overall growth.

Other discounters' performances were more erratic. Industry giant K mart, for example, recorded flat sales but a 6% increase in gross margins and a 3.9% boost in S.G.&A. Mars, whose total sales of $25.3 million were less than K mart's $43.1 million in interest expenses alone, had a greater jump in gross margins of 6.9% and trimmed S.G.&A. by 1.9%.

Catalogers and specialty retailers, on the whole, showed more consistent, positive results, according to a *DSN* study of the annual reports of 25 companies, 16 of which contained complete financial statistics on discount, catalog or specialty chains.

Cataloger Service Merchandise and toy specialty retailer Toys "R" Us vied for the top spot among these merchants.

The cataloger's volume jumped 16.4% while net income exploded 36.8%; the toy chain's sales leaped 33% and net earnings increased 31.2%.

Limited results were available for nine discounters which are part of larger retailing conglomerates.

These chains tend to be upscale discounters whose focus on apparel produced strong gains in operating income, the only figure reported by the parent companies that gave any indication of the profit performance of these discounters.

Caldor was the overall leader among these nine with a 56.2% jump in sales and a 41.6% increase in operating income. Gee Bee, whose merchandise focus is hard lines rather than apparel, had the greatest gain in operating earnings, 82.8%, fol-

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Harold Frank
president, Bradlees

Carl Bennett
chairman and ceo, Caldor

Makers Hit RPM-Damage Award

By KEN RANKIN

WASHINGTON—Lobbyists for the nation's manufacturers asked the Supreme Court to establish clear-cut new ground rules under which suppliers will be able to cut off sales to discounters without automatically risking resale price-fixing charges.

In a new "friend of the court" brief filed late last month by the National Association of Manufacturers, lawyers for the supplier group warned that unless the treble-damage resale price maintenance (RPM) award against Monsanto Chemical is reversed, manufacturers may be discouraged from terminating sales to many price-cutting retailers and distributors.

That case attracted widespread concern within the discount store industry earlier this year when Reagan Administration antitrust officials intervened on behalf of Monsanto andd urged the court to strike down the 70-year-old *per se* ban on manufacturer resale price fixing.

NAM, which represents hundreds of leading discount industry suppliers, stopped short of endorsing the Justice Department's request for a ruling that RPM may no longer be treated as a *per se* or automatic violation of the Federal antitrust laws.

But, the manufacturer group did call for new restrictions on the discretion of Federal courts to award damages against suppliers who cut off sales to discount retailers.

The original Federal ruling against Monsanto stemmed from the manufacturer's termination of a price-cutting herbicide dealer following complaints about the firm's discounting from competing distributors.

Monsanto's contention that

(Continued on page 86)

Pertschuk Carley Frank

Is Justice Dept. Enforcing the Ban On RPM? Panelists Disagree

NEW ORLEANS—Is the Justice Department failing to enforce the law that prohibits resale price maintenance (RPM)?

No, said Deputy Assistant U.S. Attorney General Abbott Lipsky.

Yes, said Federal Trade Commissioner Michael Pertschuk.

Lipsky, backed by FTC general counsel John Carley, told a session at the National Mass Retailing Institute's convention here: "We do recognize that agreements to engage in RPM

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DSN's SPARC Banquet To Honor Frank, Bennett

NEW YORK—Harold Frank, president of Bradlees, has been named Discounter of the Year, and Carl Bennett, chairman of the board of Caldor, has been elected to the Discounting Hall of Fame.

Both men will be honored at *DSN*'s annual SPARC (Supplier Performance Award by Retail Category) banquet to be held Sunday, Aug. 14, at the Hyatt Regency Hotel in Chicago.

Frank and Bennett were among eight discounters (four in each category) nominated for the awards by the *Discount Store News* editorial staff. Actual voting was open to the industry and was done on a write-in basis.

Fifty-four SPARC awards will also be handed out at the banquet.

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Digest June 13, 1983

CONSUMER ELECTRONICS

- **Home computers have been grouped in one area at the summer** Consumer Electronics Show. (See CES section, pp. 31-33, 63-65.)

HOME COMPUTERS

- **Discounters are bullish on low-end home computers, despite** the hectic marketplace. (See supplement, pp. 35-58.)

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HOME COMPUTERS

Supplement

Phones Are Buzzword at Radio Shack

Radio Shack's new-store juggernaut continues with the test of a telephone specialty chain. The category remains part of the mix in existing stores, such as this one in New York City.
(DSN photo)

Home Computer Market

Item	1977	1981	1985	1990	1995
Households (millions)	74.1	80.3	88.1	95.9	102.0
Home Computers/per 1,000 households	0.3	4.4	23.0	83.0	196.0
TV's in Use (millions)	131.5	152.8	174.0	197.0	219.0
Home Computers/per 1,000 TV's	0.2	2.3	11.0	41.0	91.0
Home Computers in Use (thousands)	22.0	350.0	2,000.0	8,000.0	20,000.0
Home Computer Sales (thousands of units)	14.2	150.0	680.0	1,600.0	3,300.0
Home Computer Sales (millions $)	$ 29.3	$205.0	$ 612.0	$1,280.0	$ 2,300.0

Source: Predicasts Inc., Cleveland.

Computer Is Now Everyday Tool

Nationwide DSN Report

A nursery school in Wayne, N.J., teaches its 3- and 4-year-old students the alphabet and basic arithmetic on a home computer.

Thousands of elementary and secondary schools in the United States now maintain home computers for course instruction just as they've maintained sewing machines and drill presses in years past.

The state of Pennsylvania has approved legislation requiring children born after 1975 to receive computer science courses in school before they may graduate from high school.

Students at Carnegie-Mellon University are required to purchase home computers to keep in their dormitories or rooms at home at the time they register for their first class as freshmen.

These are but a few examples of how home computers become an institutional part of consumers' everyday lives.

Together, they are a compelling reason for some retailers to enter and remain in the home computer market.

Market forecasts indicate that by the mid-1990's home computers will be in 1 out of every 5 households in the United States—accounting for more than 20 million units.

Predicasts, a Cleveland-based business research firm, estimates that annual sales of home computers will pass $2.3 billion by 1995.

Unit sales from 1981 to 1985, according to the report, will jump 450%.

Promising Area

"It's been a phenomenal growth rate if you consider that just a half-per cent of the households had a home computer in 1981," said Neil DiGeronimo, manager of hi-tech research for Predicasts. "Our research also shows that by the mid-90's about 10% of the home TVs will have computers built right into them."

DiGeronimo added that the development of other technologies, such as videotex, will enhance the use of home computers, despite some early consumer apprehension.

"A lot of people who are buying the home computers are afraid of being socially and technologically obsolesced," he said. "If they see others who understand computers and they don't, it scares them."

Another consideration is the desire of parents to be sure that their children can effectively compete in the developing computer age, by taking steps now to assure their computer literacy, the research suggested.

Further stimulating sales of the units will be continuing price reductions, according to the study. These will encourage more people to purchase the units.

However, an obstacle still to be overcome is consumer resistance.

"There is a certain amount of apprehension that consumers feel in relation to the home computers," DiGeronimo said. "But, it can usually be overcome by allowing people to physically sit down with a computer to try using it."

Soft-War Declared!

Domination of software market imminent. The offensive is on. The world's leading independent producer of video games and creator of the most respected educational software is on the attack with a truly invincible line of software destined to capture your customer's dollar.

It includes:

- Arcade hits like WIZARD OF WOR™*, EYES™**, GORF™* and many, many more.
- 30 educational software programs.
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- Programmer utilities like AiDE™ and TELECOM™.
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Discover the innovator in software that delivers what we promise . . . programs, advertising and merchandising that will send sales skyrocketing.

Roklan Corporation
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Arlington Heights, Illinois 60004
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1983 Roklan Corporation

Meet us at Booth 6077 Consumer Electronics Show

Wal-Mart Tops Chains in Overall 1982 Performance

Chain	Sales (Millions) 1981	1982	% Change	Gross Margin (% of Sales) 1981	1982	% Change	S.G. & A. (% of Sales) 1981	1982	% Change	Interest Expense (Millions) 1981	1982	% Change	Net Income (Millions) 1981	% of Sales	1982	% of Sales	% Change	Inventory (Millions) 1981	% of Sales	1982	% of Sales
Best Products	$ 1,109.1	$ 1,581.7	+42.7	24.1	24.6	+2.1	16.4	17.0	+3.7	N.A.	$29.9	N.A.	$ 20.0	1.8	$ 28.8	1.8	+44.2	N.A.	N.A.	$547.7	34.6
Cook United	647.7	646.0	− 0.3	25.0	25.1	+0.8	21.2	21.3	+0.5	($14.7)	(15.8)	(+ 7.0)	(3.3)	—	(6.4)	—	(+96.3)	$147.7	$22.8	140.1	21.7
Gaylords	118.3	114.5	− 3.2	22.9	22.8	−0.4	20.9	21.1	+1.0	1.1	0.9	− 20.6	0.5	0.4	0.08	0.1	−82.1	24.3	22.4	25.6	20.6
Grand Auto	120.0	122.2	+ 1.8	33.1	33.7	+1.8	24.6	24.2	−1.6	2.6	2.0	− 21.5	2.6	2.2	3.5	2.9	+34.0	21.2	17.7	21.6	17.8
Heck's	321.3	399.3	+24.3	25.8	24.8	−3.9	21.1	20.6	−2.4	8.4	10.1	+ 20.0	13.4	4.2	11.1	2.8	−16.6	75.6	23.5	98.5	24.7
Jamesway	296.2	332.5	+12.3	29.0	30.9	+6.6	25.7	26.2	+1.9	3.2	3.4	+ 6.3	4.2	1.4	6.8	2.0	+60.2	55.4	18.7	65.2	19.6
K mart	16,527.0	16,772.2	+ 1.5	25.2	26.7	+6.0	20.7	21.5	+3.9	69.2	43.1	− 37.7	215.7	1.3	256.9	1.5	+19.1	3,135.1	19.0	3,294.9	19.6
Mars	23.1	25.3	+ 9.3	29.0	31.0	+6.9	31.8	31.2	−1.9	0.2	0.2	—	0.3	1.5	0.4	1.7	+33.3	4.2	18.0	4.7	18.6
Oshman's	216.4	247.3	+14.2	40.0	39.2	−2.0	33.2	33.9	+2.1	2.3	2.5	+ 8.0	7.6	3.5	7.1	2.9	− 6.1	55.2	25.5	58.0	23.5
Payless Northwest	758.5	784.7	+ 3.5	27.4	28.4	+3.6	20.6	21.3	+3.4	15.2	12.7	− 16.4	16.6	2.2	19.4	2.5	+16.4	148.6	19.6	148.9	19.0
Pep Boys	233.5	265.4	+13.7	33.7	33.7	—	24.7	24.5	+0.8	0.2	0.5	+126.7	11.2	4.8	12.1	4.6	+ 8.5	33.4	14.3	36.8	13.9
Roses	594.8	661.9	+11.3	22.8	23.3	+2.2	19.4	19.2	−1.0	2.9	2.4	− 17.2	8.2	1.4	11.6	1.7	+40.3	98.2	16.5	108.2	16.3
Service Merchandise	1,027.1	1,195.3	+16.4	21.6	22.8	+5.6	13.6	14.7	+1.1	19.4	15.3	− 21.2	23.1	2.2	31.6	2.6	+36.8	240.7	24.4	254.3	21.3
Toys "R" Us	783.3	1,041.7	+33.0	33.3	32.3	−3.1	21.3	19.8	−7.0	4.1	4.3	+ 4.9	48.9	6.2	64.2	6.2	+31.2	140.7	18.0	192.0	18.4
Wal-Mart	2,445.0	3,376.3	+38.1	26.9	27.2	+1.1	20.2	20.1	−0.5	16.1	20.3	+ 26.4	82.8	3.4	124.1	3.7	+49.7	490.6	20.1	555.7	16.5
H. J. Wilson	402.9	458.2	+13.7	34.0	31.0	−8.8	25.6	25.0	−2.3	11.3	16.4	+ 45.0	12.7	3.2	5.6	1.2	−56.1	170.0	42.2	164.6	35.9

Dollar figures are rounded off. Per cent figures are calculated from full dollar amounts. N.A.—Not available.

Source: DSN *research.*

Editor's Note: The following amplifies the above figures for some of the listed chains:

Best Products—1982 figures include results from Basco and Modern Merchandising from dates of their acquisition, and provisions for subsequent closing of eight Bascos. Results from Creative Merchandising, due to be divested, aren't included. Figures for 1981 are pro forma due to change in Best's fiscal year.

Cook United—Results are for continuing operations only.

Gaylords—Corporate results for discount stores and catalog showrooms are given, including provisions for stores closed during both years.

Heck's—Corporate results are given, with discount stores accounting for 88.1% of sales and 92.5% of operating profit in 1982, and 84.3% of sales and 81.9% of operating profit in 1981.

K mart—Total corporate results are given except that SG&A doesn't include advertising expenses and income is just from retail operations.

Oshman's—Corporate results are given, for Oshman's and Abercrombie & Fitch chains.

Roses—Corporate results are given for 185 Roses and 53 H.P. Rose stores.

Service Merchandise—Results include those of Sam Solomon since date of acquisition in April 1982. Inventories are based on FIFO.

Wal-Mart—Results include those of 92 Kuhn's Big K stores acquired in August 1981.

H. J. Wilson—Results include those of Standard Sales acquired in July 1981, and provision for subsequent closing of four units.

'82 Operating Incomes Jump

Chain	Sales (Millions) 1981	1982	% Change	Operating Income (Millions) 1981	1982	% Change
Caldor	$ 592.4	$ 925.2	+56.2	$41.5	$58.8	+ 41.6
Gee Bee	118.9	136.8	+15.1	3.9	7.1	+ 82.8
Gemco	1,869.5	2,113.5	+13.1	31.4	36.9	+ 17.5
Gold Circle	397.3	501.3	+26.2	4.2	23.8	+466.6
Richway	266.2	321.6	+20.8			
Target	2,054.3	2,412.4	+17.4	108.7	150.1	+ 38.1
Venture	611.5	680.3	+11.3	16.8	30.0	+ 79.1
Zayre	1,433.3	1,616.0	+12.7	41.2	55.1	+ 33.6
Zodys	310.0	355.4	+14.6	34.7	16.0	− 54.0

Source: DSN *research.*

Wal-Mart

(Continued from page 1)

lowed by apparel-oriented Venture with a 79.1% boost in operating income.

The financial problems at Zodys, whose parent HRT Industries is already in Chapter XI, and at Cook United, which has sold off a number of nonretailing operations, showed up in the annual reports.

Zodys had a 14.6% sales increase, but its operating income plunged 54%, while Cook United's overall sales dropped 0.3% and its loss increased 96.3%.

Despite the different retailing formats and sales and earnings among discounters, catalogers and specialty chains, there was only limited differences in net income as a percentage of sales, a key measurement often used to gauge the bottom line profitability of a retailer.

The measurement ranged between 1.5% and 2% for five of 16 chains studied, with eight above this range and three below.

Toys "R" Us was the leader with 6.2%, followed by Pep Boys at 4.8% and Wal-Mart at 3.7%. The others above 2% were Grand Auto and Oshman's, each at 2.9%; Heck's, 2.8%; Service Merchandise, 2.6%, and Payless Northwest, 2.5%.

Those under 1.5% included H. J. Wilson, 1.2%, a 56.1% drop from its previous 3.2% figure; Gaylords, at 0.1%, which was a 2.1% increase, and Cook United, which reported a loss.

As for the nine chains with only limited reported results, the leaders in operating income as a percentage of sales were Caldor, with 6.4%, and Target, 6.2%. Gemco had the lowest figure, 1.7%, the same as the year before.

Zodys, despite its parent's bankruptcy, had a 4.5% figure, but this was sharply down from the 11.2% reported for the previous year.

SPARC

(Continued from page 1)

The nominations listed below are the result of a first-round ballot. Votes came from buyers polled at the top 80 discount store chains.

The final ballots—which will decide first-, second- and third-place winners—will be cast by chain general merchandise managers.

In most of the 18 categories, three suppliers will vie for the top spot; in two cases—stationery and photo—ties resulted and four vendors were nominated. Vendors nominated are:

AUTOMOTIVE: Kraco, Turtle Wax, Union Carbide.

CHILDREN'S APPAREL: Dobie Originals, Garan, Wundies.

CONSUMABLES: E. J. Brach, Hershey, M/M Mars.

CONSUMER ELECTRONICS: Atari, Coleco, General Electric.

DOMESTICS: Cannon, J. P. Stevens, St. Mary's.

HARDWARE (INCLUDING PAINT): Black & Decker, Hirsh, Stanley.

HEALTH & BEAUTY AIDS: Gillette, Goody, Procter & Gamble.

HOUSEWARES (NON-ELECTRICS) INCLUDING GLASSWARE: Anchor Hocking, Corning, Rubbermaid.

JEWELRY, WATCHES BOUTIQUE ITEMS: KMGA, R. N. Koch, Timex.

LAWN & GARDEN: Colorite, Ortho, Structo.

LADIES' APPAREL: Gitano, International Playtex, Land N' Sea.

MEN'S APPAREL: Union Underware, Williamson Dickie, Wrangler.

PERSONAL CARE APPLIANCES: Clairol, Conair, Norelco.

PHOTOGRAPHY: Canon, Kodak, Minolta, Polaroid.

SMALL ELECTRICS: General Electric, Norelco, Proctor Silex.

SPORTING GOODS: Academy Broadway, Coleman, Franklin.

STATIONERY: Ambassador, Gibson (Buzza), Gillette (Papermate), Mead.

TOYS: Fisher-Price, Kenner, Mattel.

Earnings

(Continued from page 3)

$157 million. Harvin attributed same-store sales gains of 10% to higher inventory levels, a better in-stock position and a more favorable economic climate.

Record-high earnings for the quarter were also reported by Jamesway. Earnings for the chain of $862,000 compared with a loss of $216,000 a year earlier. Sales for the quarter rose 19% to $63.6 million.

Jamesway chairman Herbert Fisher pointed to same-store sales gains of 7% as a major reason for the earnings rise.

At Wal-Mart, earnings rose by 51% to $27.5 million, on a 28% sales rise to $854.7 million for the quarter.

May's earnings rose by 76.5% to $20.3 million from $11.5 million for the first quarter of 1982. Sales grew by 15.3% to a record $846.8 million vs. $734 million the previous year.

At Venture Stores, May's discount operation, quarterly sales rose by 13.7%, with an 8.6% sales gain on a store-for-store basis.

Federated reported its highest-ever earnings of $43 million for the quarter, representing a 47.6% rise over the $28.1 million for the year-earlier period. Sales were up by 13.7%, reaching $1.8 billion for the quarter. (Federated doesn't break out figures for its Richway and Gold Circle discount operations.)

At Dayton Hudson strong sales for the quarter offset the company's high level of expenses incurred by the opening of 34 Target stores and the launching of Plums. Earnings for continuing operations rose 31.5% to $21.7 million compared to $16.4 million for 1982. Sales rose 22% to $1.4 billion.

Target's sales for the quarter rose 27% to $611 million, with a per-store increase of 8%. Mervyn's sales increased by 25% to $318 million with a 12% per-store sales gain. Dayton Hudson's specialty division, which includes Lechmere, Plums and B. Dalton Booksellers chalked up a 25% sales increase to $139 million and a per-store sales hike of 18%.

Although sales at McKeesport, Pa.-based G. C. Murphy Co. dropped 3.5% to $188 million for the quarter, earnings increased 27-fold to $1.7 million from $63,000 during the first three months of fiscal 1982.

After the closing of its Woolco chain, F. W. Woolworth Co. is well-positioned to take advantage of any opportunities arising from the economic recovery, according to chairman and ceo John Lynn.

The company reported a $1 million net income from continuing operations compared to a loss of $5 million a year earlier. (The 1982 first-quarter loss, including an after-tax loss of $11 million from discontinuing operations, totaled $16 million.)

Woolworth's sales rose 4.7% to $1.1 billion for the quarter vs. $1 billion in 1982

Gold Circle

(Continued from page 3)

signer and branded merchandise.

Rubin noted that since the launch of the program Gold Circle has been able to solidify relationships with many branded apparel manufacturers. For instance, when the program was launched in 1982, about 30% of the merchandise was purchased directly from manufacturers, with 70% from jobbers.

Since then the ratio changed to 50%/50% and it currently stands at 70% purchased direct/30% from jobbers, a total reversal in less than a year.

Discussing some of the weak spots in the program, Rubin said one of them was advertising it. Gold Circle tried institutional radio and ROP "with no significant results." With a limited, 11-unit test, the chain wasn't able to use its strongest ad vehicle—its weekly tabloid.

Rubin said that in the future the Brands for Less program would shift to a "narrower and deeper" merchandise approach within a more limited number of classifications. It will cut back on the slow-selling better and designer labels while beefing up the moderate-priced offerings.

This strategy is intended to eliminate the "fragmented assortments" which resulted in high markdowns, and build up the sales-per-square-foot results.

Rubin said the program, so far, hadn't reached Gold Circle's sales-per-square-foot goals of $160-$185. Gross margins on the merchandise, he said, were running at about 20%.

Despite some problems Gold Circle management remains convinced of the viability of the Famous Brands for Less concept. "We achieved strong sales in weak soft line stores," said Rubin. "We're encouraging our people in soft lines areas other than women's sportswear to continue pursuing the brands."

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Catalog Showroom Census
See Special Section, Pp. 11-26

Discount Store News®

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Buyers Grapple With Exploding CE Market

Computer Software Multiplies

CHICAGO—Computers were the stars of the summer Consumer Electronics Show (CES) as predicted—but discounters went home still grappling with many of the same problems they arrived with.

Margins, with rare exceptions, promised to remain razor-thin on computer hardware. The sheer number of software and video game titles climbed to new heights, further clouding the already uncertain future of the game market. The limited availability of telephones in the third and fourth quarters may have discounters scrambling to maintain in-stock positions.

These problems and others *(Continued on page 54)*

Wal-Mart has refixtured computer software and game cartridges to enhance their self-service aspects, at the same time realizing that higher shrinkage may result. Shown is the Rogers, Ark., store, which has been partially refixtured to prototype. *(DSN photo)*

Wal-Mart Beefs Up Section

FAYETTEVILLE, Ark.—Wal-Mart has great expectations for its new consumer electronics department prototype here.

A belief in the category's explosive growth, combined with a goal of achieving a storewide sales average of $200 per square foot in the chain, led to the new assortments and department layout.

Wal-Mart is also seeking market dominance in certain merchandise categories, CE among them, according to Ron Loveless, vp, gmm, hard lines.

The program forms part of a "Merchandise Intensification" program outlined for stockholders at the company's annual *(Continued on page 54)*

Ames' MDA Drive Wins DISC Award

NEW YORK—Ames is the winner of the 1983 Discounter in Service to the Community (DISC) Award.

The DISC Award is given annually by *Discount Store News* to the discount store chain that did the best job of serving the community during the previous year.

Ames won this year's award for its work on behalf of the Muscular Dystrophy Association.

In a chainwide effort that involved store events—including parking lot block dances, skating parties, TV/bike promotions—at every Ames location, the chain raised $150,000, more than its projected $1,000 contribution from each of 112 stores in operation during 1982.

This year's judges were: Barbara Thatcher, manager of community relations, Target Stores; Stanley Berkovitz, vp, consumer and community affairs, Zayre; Fritz Steiger, director, public and government affairs, Wal-Mart; J. A. Roberts, senior vp, human resources, Roses, and Richard I. Hersh, president, National Mass Retailing Institute.

Best Sells Creative to Carlson; Will Produce Own Book in '84

RICHMOND—Best Products has completed its long-expected divestment of Creative Merchandising and Publishing, selling the catalog coordinator for an undisclosed amount to Carlson Companies.

Best had obtained Creative as part of its acquisition of the coordinator's parent Modern Merchandising in September 1982. Best will be responsible for Creative through September 1983, by which time the coordinator-produced book will have been distributed by the group's 17 members.

A Creative executive said Carlson expected to meet with group members, perhaps this month, to detail plans for Creative, in an effort to retain their membership.

A number of Creative members told *DSN* the group wanted to stay together and that such a meeting was necessary to clarify the relationships among the various showroom operators, Carlson and Ardan, a 68-unit cataloger owned by Carlson, which is also a Creative member.

Ardan will become the largest operator in stores and sales in the Creative group once Best leaves in October.

Best has been a member of Creative since its founding almost 25 years ago. However, Best, the industry's No. 1 cataloger for the past few years, has been putting together its own book, with the coordinator handling some layout work and coordinating photography and printing. (See earlier story, p. 14.)

As a member of Creative through the fall, Best will still use the coordinator's services for its 1983-84 catalog, while the Modern family of six chains, obtained in the acquisition, will *(Continued on page 4)*

Inventory Levels to Rise 35%-40%

47 Magic Marts Are Becoming ALCOs

By KAREN PAXTON

ABILENE, Kan.—The pace is fast and furious at Duckwall-ALCO headquarters here.

By October the company plans to have the 47 Magic Mart stores it acquired last month for about $6 million running like ALCO discount stores:

- Inventory levels at the stores will be boosted by 35% to 40% and the merchandise mix will be changed to match that of ALCO.
- All store personnel will be trained in Duckwall's operational and merchandise techniques.
- Interiors and exteriors of all stores will be equipped with ALCO signs, and employees will be given ALCO smocks.
- All merchandise will be cleared out of Magic Mart's Little Rock, Ark., distribution center by July 1, when the 345,000-sq.-ft. building will be sold or leased.
- The construction of a 160,000-sq.-ft. expansion to Duckwall's 190,000-sq.-ft. distribution center will be completed.
- The 47 Magic Marts will be incorporated into ALCO's advertising program.

To help finance the acquisition, Duckwall-ALCO is offering 700,000 shares of common stock (currently valued at $26 per share) for sale through a group of underwriters this month.

The money raised through the stock offering—some $18 million—will be used to support the company's increased inventory levels; finance the reformatting of the stores, which is scheduled to start early next year, and help pay the company's debts, according to president Robert Soelter. The com- *(Continued on page 54)*

Digest June 27, 1983

CATALOG SHOWROOM CENSUS

- **Although the number of catalogers decreases, overall sales** keep rising, and new-store plans will be stepped up. (Special section, pp. 11-26)

HARDWARE

- **Two Wal-Marts test a paint-mixing program.** (p. 34)

APPAREL

- **Marshalls hopes to do close to $10 million in the first year of its** second New Orleans-area store. (p. 37)

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CATALOG SHOWROOM CENSUS

Fewer But Stronger Chains Evolve

Catalogers Project Speeded-up Expansion

Nationwide DSN Report

The catalog showroom industry has contracted to fewer and, for the most part, financially stronger companies that are poised to speed up their showroom expansion pace.

The top 46 showroom chains in the United States project 65 new stores this year, according to a *DSN* survey, to hit the 1,061 unit mark, a 6.5% increase from the 996 showrooms they operated at the start of the year.

More Units

The speeded-up expansion next year calls for 82 more showrooms as catalogers expect this year's economic recovery to fuel even faster growth in 1984.

The economic upturn this year, along with such key merchandising moves as a greater emphasis on jewelry and the addition of domestics as a new category at a number of chains, is expected to push total volume from the fewer chains in the industry to about $7.5 billion, according to a *DSN* projection.

The recession last year, along with the shrinkage in the number of companies and severe financial problems at some chains, resulted in industry sales of about $6.5 billion.

The projected 15% sales growth for 1983 is expected to be sparked by a 20% increase in volume among the top 46 chains. As the industry coalesces into fewer chains, these companies' share of total industry volume continues to increase.

The top 46 this year are projected as accounting for slightly over $6.7 billion in sales, or more than 89% of total industry volume. Last year these catalogers generated almost $5.6 billion or 86% of the total.

Figures Analyzed

The shrinkage in chains is evident from the fewer companies and small increase in showrooms contained in the 1983 *Business Guides* listing of catalogers. That compilation has 267 companies operating 1,619 units, compared to 317 firms running 1,583 stores in the previous guide. (*DSN* uses *Business Guides* as its basic listing of the industry.)

The top 46 chains reflect both the contraction and growth of the industry. They include five chains—Ed Phillips & Son, Murray's Jewelers, Paysaver, Rosenbaum's and Standard Distributors—that weren't on the list last year, while three catalogers that were acquired in 1982 aren't included: Modern Merchandising and Basco (bought by Best Products) and Sam Solomon (taken over by Service Merchandise).

A number of smaller catalogers that haven't opened new showrooms in a few years have already done so in 1983 or plan to do so within the next 18 months. This list includes Fred Gattas (which has already opened in a former Ardan), Brand Name, Arthur's, Present and Paysaver. The latter two chains new stores will be unveiled either late this year or in 1984.

Problems Seen

Problems troubling some companies are also evident from the top 46 listing. Carlson is closing three showrooms and a minimal sales gain is projected for the catalog operation, while Jewelcor's showroom volume is expected to drop due to the closing of three units in 1982.

Even the growth recorded by the top chains hasn't come easy. Best Products' sales gain, for example, is mainly due to its acquisitions, while Service Merchandise's net gain of 23 units including seven acquired Sam Solomons played a key role in propelling that cataloger to $1.2 billion volume in 1982.

This year, catalogers are looking for improved internal operations to boost their sales and earnings. Two major trends are evident:

Higher-margin jewelry is getting a renewed emphasis through such moves as the opening of jewelry and giftware specialty stores (Best Jewelry and Service Merchandise's Zimm's) and by revamping showroom layouts and chain operations to play up this department, as at Consumers Distributing and Ardan.

Domestics is being added to the mix to enhance customer traffic—especially during off-peak selling periods for catalogers such as the first quarter of the year—and to garner sales from this profitable merchandise. The list of chains already merchandising domestics includes Best, Service Merchandise, H. J. Wilson and A. J. Foland, with McDade getting ready to do so this fall.

Chains weren't alone in making news in the showroom industry. Vast changes have also been taking place among coordinators, with two—PBA and Mutual Merchandising—leaving the industry, and a third—Creative Merchandising—due to be divested by Best which acquired the group as part of its purchase of Modern Merchandising.

Major Changes

The coordinator changes resulted in L. Luria & Son, formerly with Mutual, becoming an independent cataloger, while Best plans to do so and publish its own book for the seven chains it runs.

The proposed sale of Creative to Carlson means that group and MAI will be jockeying for the top spot among coordinators. The loss of Best and the Modern family of chains will result in the total volume of the Creative group dropping to about $600 million, while MAI's gain of four Mutual members boosted that group's total sales to above $500 million.

Top 46 Chains Plan 65 Openings in '83, 82 in '84

Chain (Hq. and coordinator)	Showroom $ sales (millions) Estimated current fiscal year	Last completed fiscal year	$ Net profit (millions) last fiscal year	Number of Showrooms As of Jan. 1 1983	As of July 1 1983	As of Dec. 31 1983	To Be opened in 1984
Best Products (Va.) (Independent)	2,250.0	1,581.7	28.8	189	190	196	10
Service Merchandise (Tenn.) (Independent)	1,425.0	1,195.3	31.6	139	145	155	15
H. J. Wilson (La.) (Independent)	525.0	458.2	5.6	75	75	78	5
Consumers Distributing (N.J.) (Independent)	360.0	309.0	N.A.	110	113	130	20
Carlson Cos. (Iowa) (Creative)	330.0	320.0	N.A.	71	68	68	0
Gordon Jewelers (Tex.) (Independent)	144.0	142.0	16.3	48	49	50	3
W. Bell (Md.) (Independent)	130.0	134.6	1.4	18	18	18	2
Jewelcor (Pa.) (Jewelcor)	125.0	127.0	N.A.	24	24	25	1
L. Luria & Son (Fla.) (Independent)	125.0	109.0	4.6	26	26	30	3
McDade & Co. (Ill.) (MAI)	97.0	94.0	N.A.	7	7	7	1
Brendles (N.C.) (MAI)	80.0	72.0	N.A.	18	18	20	2
Sterling Jewelers (Tex.) (Paul Schultz)	78.0	75.0	N.A.	5	5	5	0
Century House (N.Y.) (Independent)	72.6	73.3	(N.A.)	42	42	42	0
Ellman's (Ga.) (Independent)	70.0	62.0	1.6	7	7	7	1
David Weis (Pa.) (MAI)	70.0	64.0	N.A.	10	11	11	2
O. G. Wilson (Tex.) (Independent)	65.0	62.0	N.A.	15	15	15	0
K's Merch. Mart (Ill.) (Creative)	58.8	55.0	N.A.	6	6	7	0
E. H. Tepe (Ind.) (Creative)	47.0	45.0	N.A.	9	9	9	1
Dahlkemper's (Pa.) (Creative)	40.0	37.0	N.A.	6	6	6	1
Evans (Md.) (MAI)	34.0	30.0	N.A.	4	4	4	1
Goldbro (Ala.) (Charter)	33.0	30.0	N.A.	5	6	6	0
Ed Phillips & Son (Wis.) (Creative)	33.0	28.0	N.A.	3	3	3	0
Alexander's (S.C.) (Charter)	31.0	28.0	N.A.	5	5	5	1

Chain (Hq. and coordinator)	Showroom $ sales (millions) Estimated current fiscal year	Last completed fiscal year	$ Net profit (millions) last fiscal year	Number of Showrooms As of Jan. 1 1983	As of July 1 1983	As of Dec. 31 1983	To Be opened in 1984
Fred Gattas (Tenn.) (MAI)	27.0	25.0	N.A.	6	7	7	1
Jewel Mart (Ohio) (Paul Shultz)	26.0	24.0	N.A.	4	4	4	0
Towers (N.J.) (Creative)	26.0	24.0	N.A.	6	6	6	0
Wilcor (Fla.) (MAI)	26.0	25.0	N.A.	4	4	4	0
Key Distributors (Ga.) (Creative)	25.5	24.0	N.A.	8	8	9	1
Boardman's (N.Y.) (Independent)	25.0	24.0	N.A.	13	13	13	0
A. J. Foland (Mich.) (American)	25.0	22.0	N.A.	6	6	6	0
Masters Mrch. Mart (Fla.) (Jewelcor)	25.0	25.4	(1.3)	26	26	26	0
R & R (Mass.) (American)	25.0	23.0	N.A.	7	7	8	1
Hartman (Calif.) (Independent)	24.0	22.0	N.A.	10	11	13	2
Present Co. (N.Y.) (MAI)	24.0	22.0	N.A.	9	9	9	1
Witmark (Mich.) (Mutual)	24.0	22.0	N.A.	5	5	6	2
Brand Names (N.Y.) (Independent)	23.0	21.5	N.A.	12	13	13	0
Segall & Son (Ga.) (American)	22.0	20.0	N.A.	5	5	5	2
Arthur's (N.J.) (MAI)	18.0	16.0	N.A.	4	5	5	0
Value House (N.M.) (Paul Schultz)	18.0	16.0	N.A.	5	5	5	1
Wes Freedman (Pa.) (Charter)	16.0	15.0	N.A.	5	5	5	0
Murray's Jewelers (Ill.) (MAI)	16.0	15.0	N.A.	2	2	2	0
Wilbro (Ala.) (Charter)	16.0	15.0	N.A.	4	4	5	1
Paysaver (Mass.) (Jewelcor)	15.0	13.1	0.037	4	4	4	1
Rosenbaum's (N.Y.) (Paul Schultz)	15.0	14.0	N.A.	4	4	4	0
Standard Distributors (Ala.) (Creative)	15.0	15.0	N.A.	2	2	2	0
Top Brands (Mo.) (Paul Schultz)	15.0	15.0	N.A.	3	3	3	0

Some figures are DSN estimates. ( ) Loss. N.A. Not available.

Editors's note: The following amplifies figures on some of the chains listed in this chart:

***Best Products**—1982 figures include sales of Modern Merchandising and Basco from dates of acquisition, and provision for subsequent closing of eight Bascos. Results from Creative Merchandising, due to be divested, aren't included. Store count doesn't include four Data Base computer stores and nine Ashby's apparel specialty stores already in operation.*

***Service Merchandise**—1982 figures include those of Sam Solomon since date of acquisition.*

***H. J. Wilson**—1982 results include those of Standard Sales, acquired in 1981, and provision for subsequent closing of four units, two in 1982.*

***Consumers Distributing**—Results are for United States operation only, in Canadian dollars.*

***Carlson Cos.**—Firgures are for Ardan and MacDonald chains.*

***Jewelcor**—Figures are for Jewelcor (and Edison) catalog showroom chains only; coordinating operation is excluded.*

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HOUSEWARES SHOW
SPECIAL COVERAGE

Discount Store News®
THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 22, NO. 14 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | JULY 11, 1983

Housewares Outlook Bullish For 2nd Half

Customers are spending money; they're spending it on housewares, and discounters and catalogers, already reporting strong first-half gains, are revving up for major sales increases during the second half and Christmas selling.

With most basic programs in place, many discounters will be working the July show with an eye toward continuing to trade up their housewares areas in fashion appeal, price points and resource structure.

The object is to hang on to the traditional discount store customer base—which also means searching the show for sharp Christmas promotions—while continuing their efforts to snare more affluent customers, and potential defectors from the department stores.

Over the past year—undaunted by the recession—many chains have made major changes in the physical selling environment of their housewares areas with beneficial sales results. Among them:

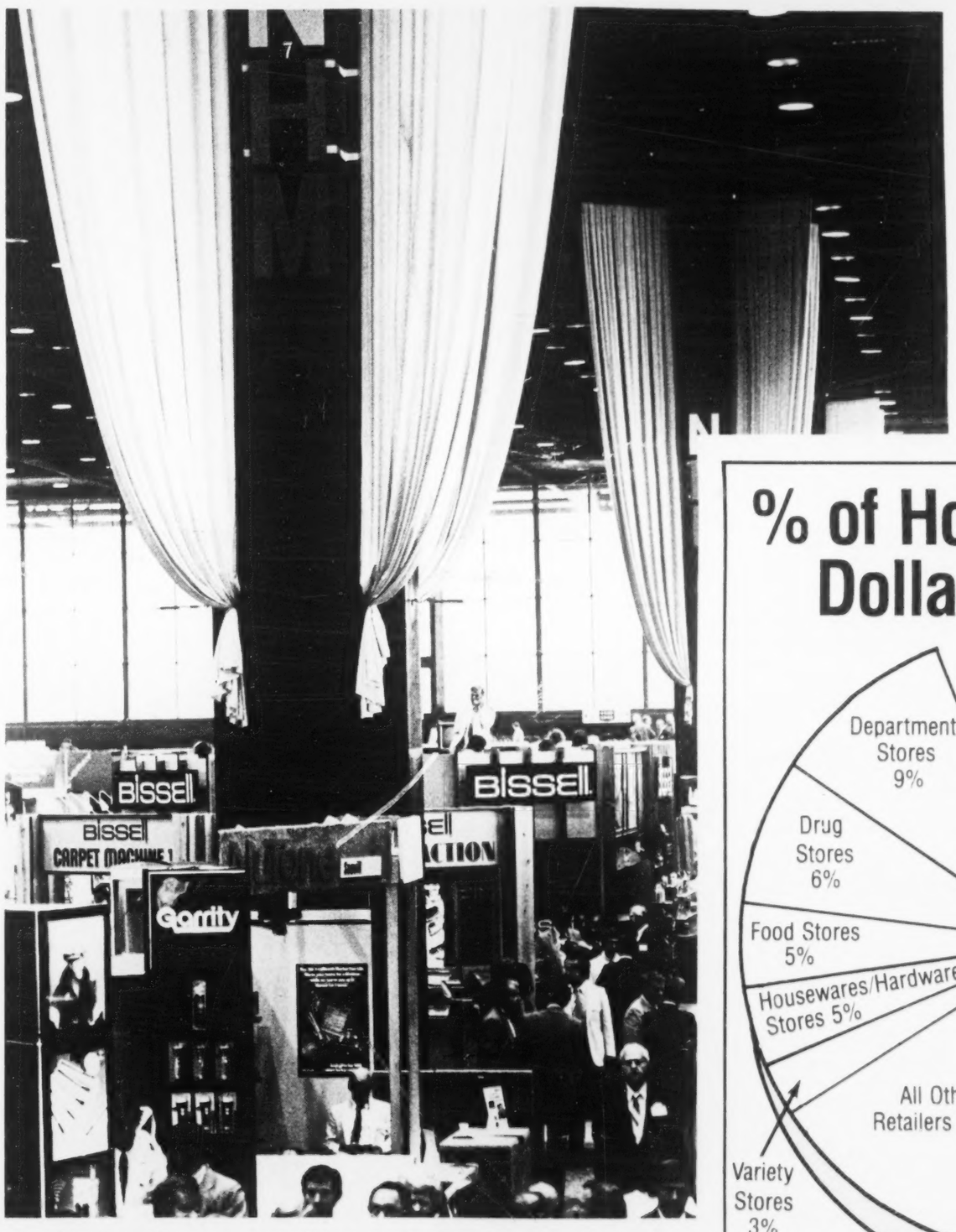
—Gaylords debuted a new prototype store in the New Orleans market with 4,500 sq. ft. for housewares, more than double the traditional 2,000-sq.-ft. space allocation.

—Richway recently completed a 25% space expansion for its housewares department with the majority of that space being given to trade-up.

—Bradlees, which began its housewares upscaling two years ago, continues to break new ground in merchandise presentation with each new store opening. Its East Hanover, N.J., store, for instance, opened with a new home store layout. It includes a Table Top department (see photo) which includes kitchen/table textiles and a Living Shop which serves as a bridge between housewares and the domestics areas.

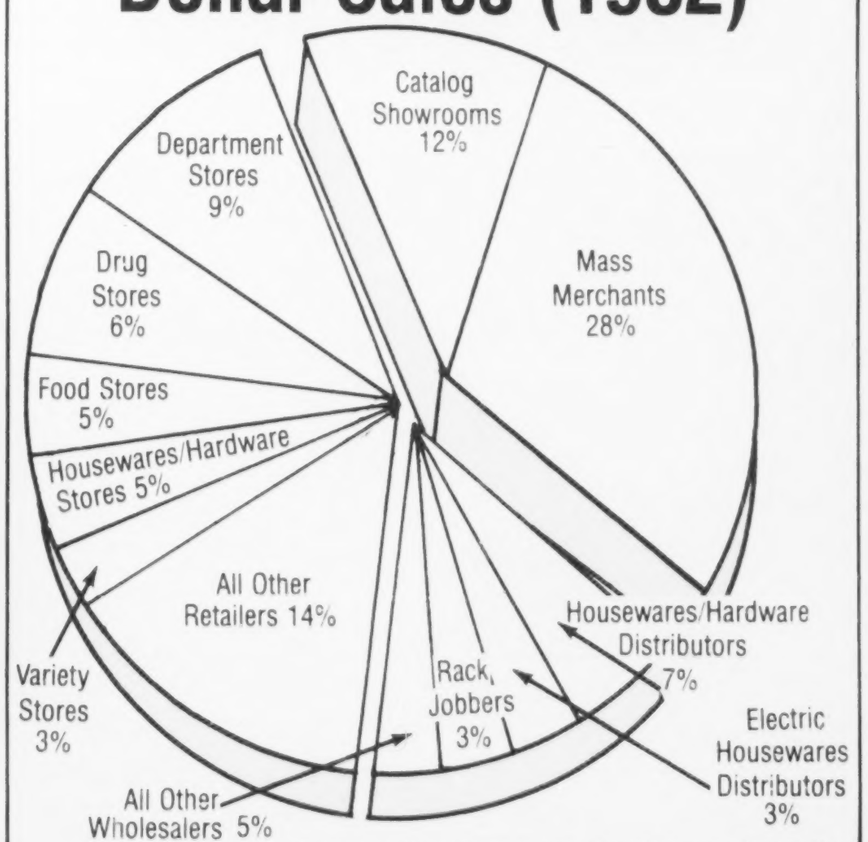
For many chains there's a growing trend toward treating housewares as a fashion area to home in on the advantages of that approach: higher-margin potential, increasing the customer base, and moving away from being a carbon copy of rival discount stores.

At this, the 79th semiannual housewares show, the last to be held on the January/July schedule, many discounters and catalogers will continue to approach manufacturers who have heretofore been reluctant to sell to them. With each passing season, their "big pencils" may become harder to resist.



The National Housewares Manufacturers Association is calling its July event "the most important summer show in the NHMA's 44-year history" since the next industrywide gathering is nine months away, in April 1984.

% of Housewares Mfrs.' Dollar Sales (1982)

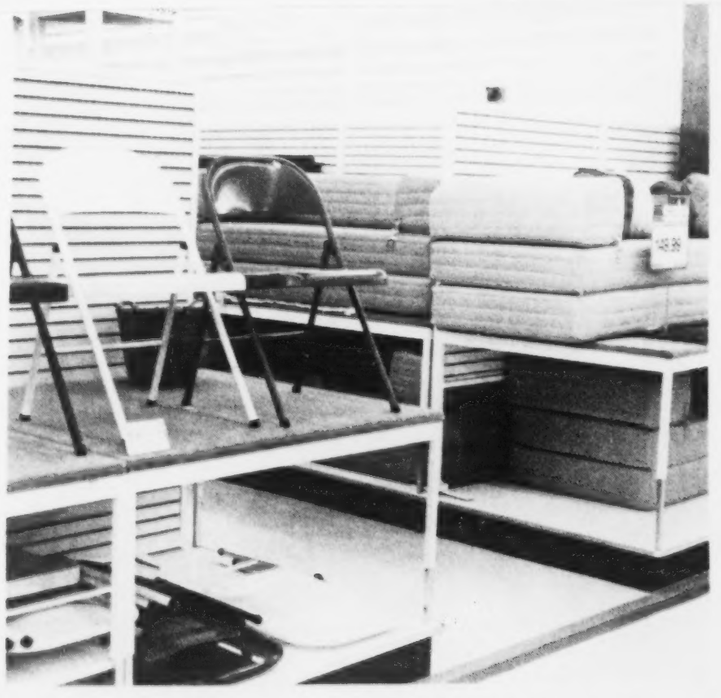


Source: National Housewares Manufacturers Association

Displays, Mixes Are Changed to Widen Fashion Appeal

Bradlees continues to fine-tune its "home store" concept; the chain's latest thinking is shown in the East Hanover, N.J., store which opened in March. The Table Top department debuted in this unit with Bradlees incorporating, for the first time, all kitchen and table textiles in the same area as dinnerware and glassware. The idea is to group merchandise the way customers use it at home.

Prange-Way moved housewares from the back to the front of the store in its new prototype in Green Bay, Wis., and increased its space from 5% to 7½% of the total store. Prime real estate is given the new hostess/serving area, shown here, located to the right of the store entrance. The reason for the change: Prange-Way is after a younger, more contemporary customer for this lifestyle category.



With its recent move to the West Coast, Target showed its ability in adapting to local markets. For instance, the lifestyle furniture area, shown here in San Diego, also features futons—Japanese fiber-filled sleeping mats. White slat-backed partitions are used to segment and highlight such furniture categories as metal folding chairs, flip-sofas, and large wicker trunks and storage baskets. *(DSN photos)*

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Hills' Jelin to House: Don't Cripple IDBs

WASHINGTON—Many discount chains would be forced to drop new-store expansion plans if Congress imposes further restrictions on the availability of small-issue industrial development bonds, Hills Department Store vice president Stephen Jelin told the House Ways and Means Committee.

Testifying on behalf of the National Mass Retailing Institute, Jelin pointed out that "of our present 105 stores, 17 have been built with industrial development bonds" (IDBs) and "most of these probably wouldn't have been built at all, had IDB financing not been available."

Stressing that Hills isn't an isolated case in the retail industry, Jelin noted that "with continuing high interest rates plaguing the United States economy" many "NMRI members have found small-issue IDB financing an increasingly important means to finance store expansion."

IDBs are tax-exempt private purpose bonds, which carry below-market interest rates, and are used by state and local governments to encourage business investment in their community.

According to Rep. J. J. "Jake" Pickle (D-Tex.), who introduced legislation severely restricting the use of these bonds, "IDBs have bred like rabbits or stray cats in the past few years," increasing from $4.9 billion in 1975 to $40.9 billion last year.

"When we drop these many

(Continued on page 110)

POS Hardware Expanded In Stores; Scanning Gains

By BRENT FELGNER

Discounters are quickening their expansion of point-of-sale (POS) technology—despite lingering questions about which, if any, front-end scanning system should be used.

The continuing lack of an industry standard for scanning has brought the chains down on all sides of the issue. Two primary systems, UPC (Universal Product Code) and OCRA (Optical Character Recognition, font A), remain in a heated competition for discounter acceptance. UPC is generally given the edge because of its frequent use by vendors.

Although some mass merchants remain undecided, competitive pressures combined with moderating costs and signs of economic recovery have prompted many others to move ahead on front-end improvements.

At some chains—such as Gold Circle and Target—the emphasis has been on pushing the technology to its limits.

Just this month, Gold Circle launched a new expansion of its POS system that will result in full price look-up capability for its 70,000 sku's, along with velocity coding.

Velocity coding assigns a three-digit register code to the top 1,000 volume sellers, instead of the 15- or 16-digit sku number normally keyed into the terminal. The immediate benefits are greater speed and accuracy on the front end.

Selected data—mostly in women's apparel—is being captured by IBM point-of-sale terminals at Mars Stores, as in Chicopee, Mass. There are currently no plans to install scanning devices. *(DSN photo)*

At the same time, the chain will begin installing "next-generation" holographic scanners by IBM, which also supplies its terminals and mainframe computer, according to James Guinan, chairman.

When the work is completed

(Continued on page 105)

Digest July 11, 1983

CATALOG SHOWROOM NEWS

- **Coordinator MAI's first show draws 126 execs.** **(p. 15)**

HOUSEWARES

- **Key discount chains, uplifted by the resurgent economy, are** redoing departments in anticipation of a strong second half. (Special section, pp. 23-100)

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SSC: Powerful Retailer Besides Liquidator

First of a two-part series. Next: Value City Stores.

By ARTHUR MARKOWITZ

COLUMBUS, Ohio—To most retailers, Jerome Schottenstein is an enigma.

Generally, when people hear the name, they think of the man who handled some of the nation's biggest merchandise liquidations, for W. T. Grant, Food Fair, Robert Hall Village, Korvettes, among others.

Only a handful of people realize the 56-year-old businessman has used his phenomenal memory and calculating abilities to turn a small family business into a conglomerate that is a combination midwestern retailing powerhouse and turnaround specialist as well as the country's major retail liquidator.

Schottenstein offers to buy major interest in HRT. p. 7.

"He's in a class by himself," a one-time top executive with the now-defunct Korvettes chain said of the robust Columbus native.

Others, like a New York City bankruptcy court judge, noted his "computerlike mind." In liquidation biddings, the judge and others who have seen him work say he's quick with numbers, able to put together big deals in his head.

Thus, "you have to really know what you are doing because Schottenstein knows his business very well. If you aren't careful, he'll end up with a better deal than you intended him to have," said an executive with the Food Fair (now the Pantry Pride) supermarket chain.

Schottenstein, however, feels the big name liquidations have been a mixed blessing—they have overshadowed his other accomplishments.

"When I'm involved in a liquidation sale," he told *DSN*,

(Continued on page 100)

Schottenstein

Company	Business	Stores	Sales (Millions)	Schottenstein Ownership
Schottenstein Stores Corp.	Parent company	—	$290.6	100%
Value City Stores	Discount stores	27	200.0	100
Value City Furniture	Furniture stores Factories	25 5	60.0 —	100
Strauss Stores R&S	Auto accessory stores	22 18	35.0	93
Valley Fair Widmann	Discount stores H&BA stores	2 29	31.0	65
Penn Merchandising	Garden centers	9	13.0	57
Levine's	Junior department stores	7	9.6	50
Condominium Conversion Partnership	Condominium conversions	—	—	67
Weiboldt Stores	Department stores	14	179.1	15
Shonac	Shoe stores leased departments	40 160	80.0	50
Silverman's Men's Wear American Eagle	Young men's wear Outdoor apparel	70 30	50.0	50
Automotive Merchandisers of Texas	Parent company	—	—	40
Fourth St. Auto Merchants Air Cargo	Auto supply store Freight forwarders	1 —	3.5 2.5	— —

Sources: DSN research; Schottenstein Stores Corp. report for fiscal year ended July 31, 1982. (Information is for latest available fiscal year, which isn't the same for all the firms, unconsolidated subsidiaries and partnerships.)

Schottenstein Stores Corp. (SSC) and family holdings are a far-flung empire with operations ranging from midwestern discount stores to an overseas freight forwarding firm.

Jerome Schottenstein

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLE TOP			
1	T20-82 Cornerstone 20-pc set, China Blossom	1,058	86.39	91,400.62
2	16-4 Corelle 16-pc set, gold	2,301	32.84	75,564.84
3	T21-81 Cornerstone 20-pc set, Royal Garden	732	86.39	63,237.48
4	T20-85 Cornerstone 20-pc set, Belle Grove	728	86.39	62,891.92
5	Corelle 16-1 16-pc set, green	1,736	32.84	57,010.24
6	Corelle 16-23 16-pc set, mb	1,635	32.84	53,693.40
7	Corelle 16-5 16-pc set, blue	1,524	32.84	50,048.16
8	2020-13 Expressions 20-pc, Meadow	632	65.69	41,516.08
9	Corelle 16-6 16-pc set, Woodland	1,262	32.84	41,444.08
10	2020-12 Expressions 20-pc Indian Sm	558	65.69	36,655.02
11	2020-7 Expressions 20-pc Wildflower	462	65.69	30,348.78
12	Corelle 16N 16-pc set, white	924	32.84	30,344.16
13	2020-16 Expressions 20-pc Strawberry	448	65.69	29,429.12
14	T20-86 Cornerstone 20-pc set, Glenora	318	86.39	27,472.02
15	3216-34 Dimension IV 16-pc set slt	520	44.99	23,394.80
	GLASSWARE			
1	Anchor Hocking 3600/672A Entertainer set 40 pc	1,432	30.59	43,804.88
2	Libbey 81837T 18-pc Capri set Tawny	902	14.39	12,979.78
3	Libbey 81837D 18-pc Capri set blue	884	14.39	12,720.76
4	Libbey 8476 Tulip Grande 9-oz	4,920	2.33	11,463.60
5	Libbey 82437D bl Country Squire 24 pc	354	29.69	10,510.26
6	Libbey 81837K 18-pc Capri set gold	693	14.39	9,972.27
7	Libbey 8464 Citation 8-oz wine	6,052	1.61	9,743.72
8	Libbey 82486B 24-pc Bolero blue	524	17.99	9,426.76
9	Libbey 82486T 24-pc Bolero Tawny	522	17.99	9,390.78
10	Libbey 214 New Wheat bev 4 pk	2,172	3.95	8,579.40
11	Libbey 8425 Citation Pilsner 12 oz	4,320	1.79	7,732.80
12	Libbey 376T Tawny bev 4 pk	1,949	3.86	7,523.14
13	Anchor Hocking 2152CV/240 Roses bev 4 pk	1,542	4.85	7,478.70
14	Libbey 379T Tawny cooler 4 pk	1,715	4.31	7,391.65
15	Anchor Hocking 225/3109E cry sham 9 oz	10,380	0.71	7,369.80

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	Ekco 64110 Baker's Secret cookie sheet	7,277	4.22	30,708.94
2	Ekco 64330 Baker's db cake pan	7,449	3.77	28,082.73
3	Ekco 64100 Baker's cookie sheet	7,147	3.77	26,944.19
4	Ekco 64200 Baker's 12-cup muffin	4,542	4.49	20,393.58
5	Ekco 64260 Baker's roast/bake	3,725	5.21	19,407.25
6	Ekco 54110 cookie sheet	5,344	2.69	14,375.36
7	Ekco 64470 Baker's loaf pan	4,154	3.41	14,165.14
8	Ekco 64080 Baker's cookie sheet	4,349	3.05	13,264.45
9	Mirro C5509/2292CN 9-cup perk	1,532	7.73	11,842.36
10	Ekco 64590 Baker's pizza pan	2,871	3.77	10,823.67
11	Ekco 54330 roasting pan	4,351	2.33	10,137.83
12	Mirro 7993/143 3-qt colander	1,879	5.39	10,127.81
13	Mirro M0932-35 teakettle 2½ qt, gold	1,699	5.93	10,075.07
14	Ekco 54100 cookie sheet	3,983	2.51	9,997.33
15	Hillside HM60SP spring form pan	1,438	6.74	9,692.12
	MICROWAVE			
1	Corning MW-2 grill	1,221	29.69	36,251.49
2	Corning MW-11 browning grill	1,347	18.71	25,202.37
3	Corning MWA-10 covered browning skillet	834	28.79	24,010.86
4	Rubbermaid 8534 cook set 8 pc	551	39.59	21,814.09
5	Anchor Hocking PM469/Ti bacon rack	2,903	7.37	21,395.11
6	Anchor Hocking PM400-127 set Hadi	490	36.89	18,076.10
7	Anchor Hocking PM400/126 corn popper	1,066	13.49	14,380.34
8	Corning MW116 5-pc set	411	33.29	13,682.19
9	Corning MC4 2½-qt oval dish	624	16.82	10,495.68
10	Corning MW-360 set	196	52.19	10,229.24
11	Corning MW101 set	359	27.44	9,850.96
12	Anchor Hocking PM481/T1 versatility	1,256	7.37	9,256.72
13	Anchor Hocking PM444/T1 cookie sheet	1,187	7.37	8,748.19
14	Corning MR1 rack	765	11.06	8,460.90
15	Anchor Hocking PM447/T1 muffin tin	1,160	7.19	8,340.40

(Continued on page 46)

COSCO IS STEPS AHEAD OF ALL THE REST.

Cosco is the leader in step stools. With more years of experience than all the major competitors combined. Cosco offers unsurpassed quality and the most complete line you'll find anywhere.

But we don't stop there. We're taking steps to make your selling easier. With new and innovative self-sell, six-pack merchandisers. Ready to use with four color point-of-sale.

Keep in step with Cosco.

PMA

PRODUCT MOVEMENT AUDIT

Top Makers Cut Prices On Promos

By HAROLD RUBIN
President,
HalMar Distributors

Housewares business has been excellent in most chains in the New England area with many buyers reporting percentage increases larger than total store gains. There was some slowup in stocking shelves early in June, the traditional reaction as buyers work down any inventory residue following heavy spring promotions.

The focus of promotions during the first half was on basic merchandise from the major national brands. Uncertain of continuing economic improvement early in the year, the strategy was to play it cautiously. Although these promos were successful, there may be some change during the second six months of the year. Given a brighter economic outlook discounters will become somewhat more adventurous.

The emphasis will be on basic categories, but many chains will also be testing the waters with higher price points.

A characteristic of the housewares business becoming more and more evident is the stiff competition among major manufacturers selling to the discounters. With the number

(Continued on page 46)

MACAP Names Fetterman Chmn.

CHICAGO—Dr. Elsie Fetterman has been elected chairman of The Major Appliance Consumer Action Panel (MACAP), an independent, industry-sponsored panel of professionals who review consumer problems with major appliances.

She's assistant director of the Cooperative Extension Service for home economics at the University of Massachusetts.

MACAP, which handles appliance problems that aren't resolved at the dealer/manufacturer level, is sponsored by the Association of Home Appliance Manufacturers, the Gas Appliance Manufacturers Association and the National Retail Merchants Association.

Fetterman has been serving on the MACAP panel since its establishment in 1970. She said most appliance complaints are handled routinely by companies' own internal systems. The majority of complaints received by the panel relate to out-of-warranty service, delays for parts or service, excessive service charges or alleged defective appliances.

HOUSEWARES

PRODUCT MOVEMENT AUDIT

Top Makers

(Continued from page 44)

of discount chains shrinking, it becomes more important for manufacturers to protect their position with customers. Many are attempting to do it, in the face of increasing competition in their respective merchandise categories, with sharper price points, particularly on promotional offerings.

For instance, Corning's management acknowledged that part of the reason for its strong promotional lineup for Pyrex for the second half was to react to Anchor Hocking's new ovenware program.

Ann & Hope's dinnerware display in its North Dartmouth, Mass., store is one of several new upscale approaches. The glass-shelved fixture with overhead lighting presents place settings in several high-ticket dinnerware lines. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CORNING			
1	P166 6-cup percolator cornflower	1,749	23.75	41,538.75
2	P166-7 6-cup percolator, Wildflower	1,311	25.55	33,496.05
3	P1668 6-cup percolator, Spice	1,305	25.55	33,342.75
4	F2 French white 2½-qt oval covered casserole	1,623	19.43	31,534.89
5	F1 French white 2½-qt covered casserole	1,383	19.43	26,871.69
6	A3-8 Spice 3-qt sauce pan	763	23.30	17,777.90
7	P150 Grab-It	1,440	12.14	17,481.60
8	A3 Cornflower saucepan	765	21.23	16,240.95
9	A300-8 Kitchen Starter set, Spice	308	50.39	15,520.12
10	A300 Kitchen Starter set	323	44.09	14,241.07
11	P104-8 Spice T pot	730	18.89	13,789.70
12	F3 French white 10" pie plate	1,080	11.87	12,819.60
13	F330 French white 3-pc set	276	45.89	12,665.64
14	A21-8 Spice roaster	503	24.74	12,444.22
15	A3-7 Covered saucepan 3-qt Wildflower	525	23.39	12,279.75
	PYREX			
1	233 Utility dish	5,542	6.74	37,353.08
2	463 D Custard cup	8,267	3.77	31,166.59
3	516 Measure	9,910	2.96	29,333.60
4	6230F covered casserole & basket	2,546	9.89	25,179.94
5	234 Oblong bake dish 4 qt	2,709	8.90	24,110.10
6	229 Pie plate	6,840	3.05	20,862.00
7	2320F 2-qt Bake dish & basket	1,899	10.79	20,490.21
8	2330 3-qt Bake dish & basket	1,193	17.09	20,388.37
9	508 Measure	8,353	2.42	20,214.26
10	115 Hurricandle	1,841	10.16	18,704.56
11	3515 1½-liter Juice jug	4,248	4.31	18,308.88
12	222 Cake dish square	3,651	4.76	17,738.76
13	213 Loaf dish	4,879	3.50	17,076.50
14	532 Measure	3,715	4.31	16,011.65
15	1400F 11-oz Mug Fireside	2,226	7.01	15,604.26

(Continued on page 48)

Major Changes

For the second half, Corning has also scheduled its first major revision of the basic Corelle Livingware. Livingware 2, in 20-piece and 43-piece sets featuring a center floral design, has been introduced with prices slightly higher than the basic Livingware.

Some Livingware open-stock merchandise will also be shipped for the first time. Chain reaction to the bulk shipments, instead of four-packs, may hinge on their ability to present the merchandise properly. The bulk dinnerware is difficult to present on gondola runs; stocking it could depend on the availability of space for table presentation.

There was some good sell-through on Corning's first-half dinnerware introduction of CornerStone, particularly as a result of Mother's Day promotions. Stores merchandising this higher-priced group are finding it moves better when presented with the stoneware dinnerware stocked, instead of alongside the Corning lineup.

As the Product Movement Audit shows, the leading CornerStone pattern was China Blossom. Sales of Royal Garden and Belle Grove were close, while the fourth-ranking pattern was Glenora.

An important addition to HalMar's dinnerware inventory for the second half is melamine from Artisan Dinnerware/National Plastics. This is the first time around this manufacturer has sold through distributors. Artisan's decision to do this may be a breakthrough influencing other dinnerware manufacturers to begin doing the same.

The chains have been anxious to see more basic dinnerware lines available through their distributors with their emphasis on gross margin return on investment. So far, many dinnerware manufacturers have been reluctant to give up their direct-selling-only policies.

The glassware category remains one of the hottest selling in housewares with multipiece sets still taking a big chunk of sales. Dominant among the sets are 18-piece sets selling at $9.99 and under. Solid colors have been the leaders. The PMA shows the continuing strong sell-through on the Capri and Bolero sets from Libbey in tawny, blue and gold. Coming up in glassware sets, from several resources, is a 12-piece configura-

(Continued on page 48)

Bulk Stemware Shines at Target and Bradlees

Boxed glassware sets continue to grow as a percentage of total glassware business. Several chains, however, have been expanding their presentation of bulk stemware, particularly in higher-ticket merchandise. Both Target (l.) and Bradlees (r.) go the bulk, 4-pack and boxed set route with stemware. One of Target's new San Diego stores displays bulk and 4-packs on one side of a glass-shelved fixture, with boxed sets on the other side. Bradlees' East Hanover, N.J., store, presents bulk stemware and some beverageware on a display wall with recessed lighting in its new tabletop shop. Higher-priced items such as the merchandise from Toscany ticketed at $5.99, are placed at easy-to-reach eye level. Less accessible were items at $1.99.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
RUBBERMAID				
1	2965 Laundry basket, almond	5,269	5.57	29,348.33
2	2864 Fliptop basket, chocolate	3,511	8.09	28,403.99
3	2965 Laundry basket, chocolate	4,967	5.57	27,666.19
4	0450 Bath mat, light blue	6,341	3.23	20,481.43
5	2858 Step-on wastebasket, choc	1,446	12.59	18,205.14
6	0450 Bath mat, white	5,145	3.23	16,618.35
7	2965 Laundry basket, gold	2,938	5.57	16,364.66
8	2845 Basket, chocolate	3,292	4.67	15,373.64
9	0450 Bath mat, chocolate	4,726	3.23	15,264.78
10	2850 Basket lift lid, chocolate	1,856	8.09	15,015.04
11	2882 Covered trash can 20 gal	1,024	14.39	14,735.36
12	6032 Drainer, almond	2,360	6.11	14,419.60
13	6032 Dish drainer, chocolate	2,319	6.11	14,169.09
14	7041 Bath mat, light blue	2,637	5.21	13,738.77
15	2864 Fliptop basket, almond	1,648	8.09	13,332.32
PLASTICS				
1	Vanderbilt 751 nylon baster	6,800	1.25	8,500.00
2	Foley 25314 pastel nylon spatula	8,801	0.89	7,832.89
3	Republic 156 Freezette 1 qt	2,402	2.96	7,109.92
4	Deka SU510 Smurfs mug 10 oz	4,078	1.61	6,565.58
5	Deka SU560 Smurfs plate 9"	2,213	2.96	6,550.48
6	Deka SU590 Smurfs cereal bowl	3,622	1.61	5,831.42
7	Tamor 7800/A large sweater box	953	6.11	5,822.83
8	Deka SU530 Smurfs tumbler 11 oz	4,340	1.34	5,815.60
9	Eagle E2757 2-qt juice decanter	2,928	1.79	5,241.12
10	Alabaster 63040 8-oz measuring cup	6,480	0.80	5,184.00
11	Tucker T334 trash can 22 gal	564	8.99	5,070.36
12	Sterilite S2121 1qt refrig bottle	3,815	1.25	4,768.75
13	Republic 154 Freezette 1 pt	1,573	2.96	4,656.08
14	Alabastro 62048 Trendee table mate	1,290	3.59	4,631.10
15	Eagle E6244 SS 44-oz oblong saver	2,695	1.70	4,581.50

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
GADGETS				
1	SwingA-Way 407-21 hand can opener	5,542	4.49	24,883.58
2	Rhodes 29031-UC timer, white	2,654	7.64	20,276.56
3	Rhodes 29035-UC timer, almond	2,500	7.64	19,100.00
4	Chaney 760 meat thermometer	5,473	2.06	11,274.38
5	Ekco 00050 stainless peeler	6,749	1.61	10,865.89
6	Swing-A-Way 107 jar opener	4,296	2.33	10,009.68
7	Ekco 08850 miracle can opener	9,141	1.07	9,780.87
8	Ekco 00030 peeler	12,254	0.76	9,313.04
9	Gemco 7987 food chopper	3,577	2.60	9,300.20
10	Automatic 90 colander strainer	2,577	3.41	8,787.57
11	Ekco 08840 4-way can opener	5,254	1.61	8,458.94
12	Vanderbilt 786 3-pc wood spoon set	7,258	1.16	8,419.28
13	Foster 1336/2580 rolling pin	1,881	4.04	7,599.24
14	Ekco 8762 hand can opener 9x6	2,930	2.51	7,354.30
15	Bromwell 119 grater	3,722	1.97	7,332.34
BATH SHOP				
1	Magnolia M100 molded toilet seat, white	2,793	9.44	26,365.92
2	Magnolia M3000A padded seat, white	1,056	17.54	18,522.24
3	Selfix C441 shampoo spray	6,025	2.15	12,953.75
4	Magnolia M3000A padded seat, blue	717	17.54	12,576.18
5	Magnolia M3000A padded seat, brown	699	17.54	12,260.46
6	Magnolia M3000A padded seat, gold	688	17.54	12,067.52
7	Selfix N443 portable shower spray	1,203	9.89	11,897.67
8	Ekco 38110 18" towel bar	3,695	2.60	9,607.00
9	Magnolia M200 Hi-rise toilet seat, white	642	14.39	9,238.38
10	Selfix 2253 shower caddy	1,801	5.12	9,221.12
11	Ekco 38170 24" towel bar	2,844	2.96	8,418.24
12	Selfix 2251 shower caddy	2,604	3.14	8,176.56
13	Ekco 38890 toilet tissue holder	3,083	2.51	7,738.33
14	Ekco 38160 24" twin towel bar	1,644	4.49	7,381.56
15	Ekco 38120 12" towel bar	3,105	2.33	7,234.65

Source: HalMar Distributors, Holyoke, Mass., for Jan. 1 through May 5, 1983, covering more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.

PMA®

PRODUCT MOVEMENT AUDIT

Top Makers

(Continued from page 46)

tion with new combinations such as four stems, four rocks and four coolers.

Stemware continues to play a significant part in the glassware business in bulk and packaged presentations.

The long list of new entries in the bakeware category, particularly the spate of merchandise with the SilverStone coating, hasn't shifted our list of top volume producers. Ekco's Baker's Secret remains very strong; so does the uncoated bakeware which hits the prices that produce tonnage quantities.

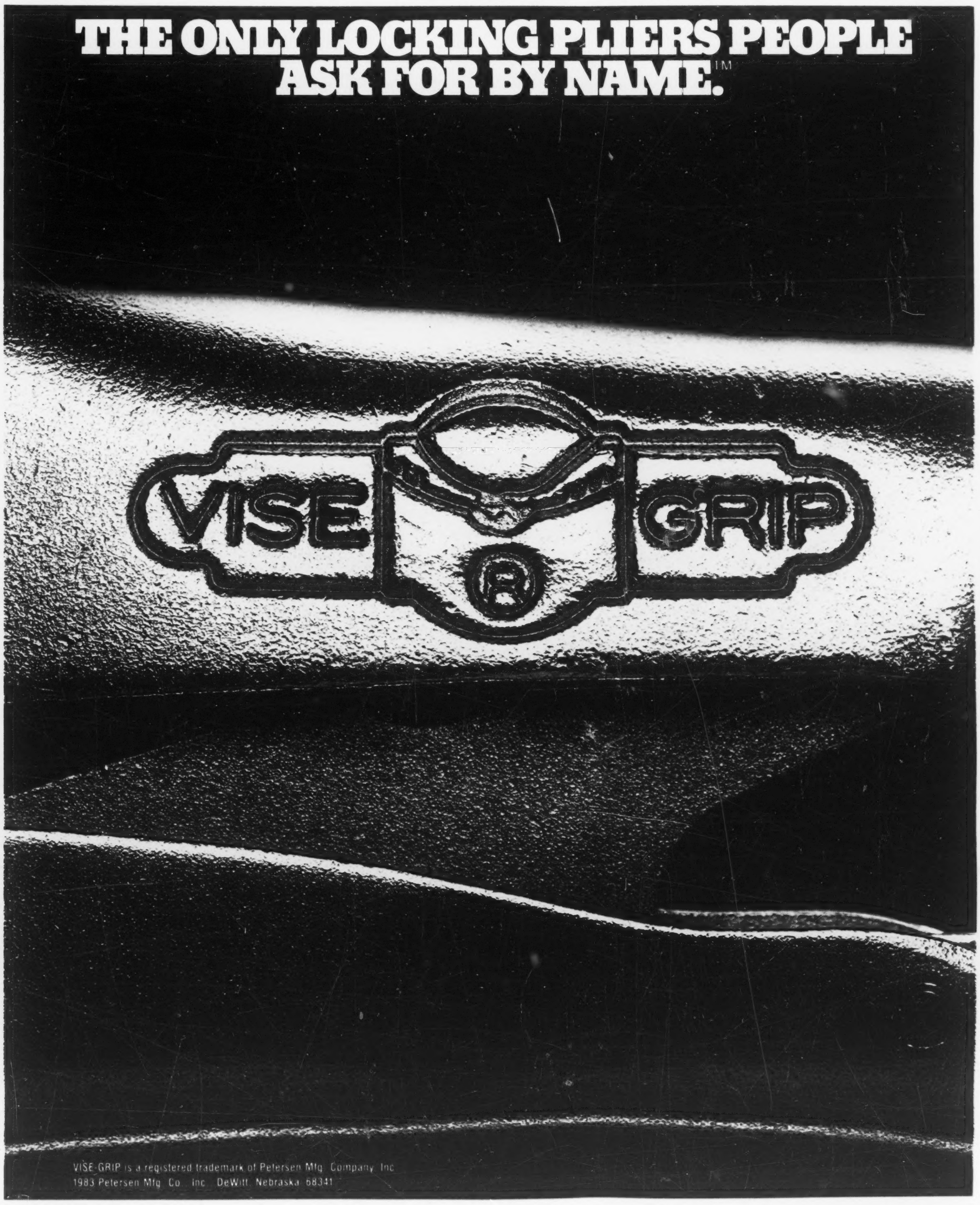
Strong Impact

Microwave cookware has been a meaningful cateogry in this area for a while, but it still keeps on growing in strength. Anchor Hocking and Corning are strong in the category. Rubbermaid has moved well when it has been advertised.

Several chains have said that higher-priced, decorative woodenware has slowed down in sales. Activity on basic woodware items, like cheese and cutting boards from our program with Foley (Martens), has been strong.

This same company has come up with an innovative new way to package fry pans. Foley has taken the SilverStone fry pans out of their plastic bags—used to protect the coating from scratching—and developed a lining for the interiors which accomplishes the same thing and makes for a more attractive in-store presentation.

Better packaging is also forthcoming from some of the major bath shop manufacturers, one of them being Selfix. This cateogry will be showing sharper carded presentations in such areas as metel bath accessories.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Parent of ShopKo Has Record Year

MINNEAPOLIS—Record sales and earnings were reported by Super Valu for the fiscal year ended Feb. 26, 1983.

Sales for the 52 weeks reached $5.2 billion, up 12.4% over the prior year. Net earnings totaled $68.0 million, 5.1% greater than the previous year's $64.7 million.

Earnings per share reached $1.85, 4.5% higher than the $1.77 reported a year ago.

Sales of the company's 36 ShopKo discount stores advanced 15.5% over last year. Earnings performance was equally strong and inventory levels were in excellent shape, ceo Mike Wright reported.

Wholesale food sales were up 11.5% over the preceding year, and with the significant reduction of inflation during the year, such sales represented one of the strongest tonnage growth years in recent history. Operating earnings of the wholesale food companies were also up significantly for the year.

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

2nd Half: Good But No Boom

By JERRY FALK
Executive Vice President, Bacar Distributors

Housewares business has consistently been building momentum since the beginning of the year. Still, buyers remain cautious, watching their inventory levels very carefully. While the outlook for the second half is good, no one is expecting a great business boom. The feeling is that the sales potential is out there, but everyone is going to have to work to get his share of it.

This attitude seems to prevail on both the retail and manufacturer sides of the housewares industry. One of the major manufacturers, Corning, has, for instance, brought out one of its strongest and longest new-product and promotional offerings in years.

The Corning new products include: French Bisque ovenware, first introduced for department stores and now available for mass distribution; a top-of-the-range cookware line called Visions; Corelle Livingware 2 in dinnerware; a 10-cup replacement carafe for electric drip coffeemakers; a line of "designer" teapots; a new pattern, Heather, in Dimension IV dinnerware, and some new Pyrex items in microwave packaging.

Corning's new merchandise, combined with its strong promotional package, looks like volume potential for the second half.

Its CornerStone dinnerware has been meeting with some success. The higher price of this recent entry has meant placement primarily in larger operations willing to expand their as-

(Continued on page 56B)

Appliance Mfrs. Hike Shipments

CHICAGO—The Association of Home Appliance Manufacturers (AHAM) reported manufacturers' shipments of major appliances were up 4.2% during the first quarter of 1983, compared to the same period last year.

Strongest gains were registered by dishwashers, up 37.1%; electric ranges, up 32%, and disposers, 24.1%.

Microwave oven shipments for the quarter were 887,300 units, a gain of 8.1% over last year.

March microwave oven shipments hit a new high for that month of 356,500 units, a 20.4% increase over March 1982.

Total industry shipments for March were ahead of that month last year by 4.1%.

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Durand blk 3030988 gobl Diamont crystl 10 oz	19,594	2.07	40,559.58
2	Durand blk 3030996 wine Diamont crystl 6 oz	19,357	2.07	40,068.99
3	Durand 7200132 blk plt Rosaline dnnr 9"	15,084	2.25	33,939.00
4	Durand 8001356 blk bwl Diamont lrg sld 9"	5,533	4.77	26,392.41
5	Durand 7200140 blk plt Rosaline sld 7"	13,752	1.80	24,753.60
6	Durand 8011041 blk bev Lancer crystl 11 oz	18,498	1.26	23,307.48
7	Durand 6200661 4-pk wine Rosaline	2,157	10.80	23,295.60
8	Durand 6200653 4-pk gobl Rosaline	2,075	10.80	22,410.00
9	Durand 8011017 blk bwl Diamont Ind sld 5"	15,215	1.35	20,540.25
10	Durand 7200819 blk mug Rosaline crystl 10 oz	10,133	1.80	18,239.40
11	Durand 8011066 blk rock Lancer crystl 10 oz	15,227	1.08	16,445.16
12	Durand 7200041 blk bwl Rosaline dssrt 5"	10,897	1.35	14,710.95
13	Riley 4020 suntea jar 1-gal w/spout	1,986	7.18	14,259.48
14	Durand 7200108 blk bwl Rosaline sld 9"	2,752	4.95	13,622.40
15	Durand 8011025 blk bwl Diamont dsrt/fruit 4"	11,984	1.08	12,942.72

DINNERWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Cornerstone 20-pc set China Blossom	428	89.99	38,515.72
2	Cornerstone 20-pc set Royal Garden	355	89.99	31,946.45
3	Livngwr plate & a half 12½"	1,396	20.69	28,883.24
4	Cornerstone 20-pc set, Glenora	305	89.99	27,446.95
5	Cornerstone 20-pc set Belle Grove	272	89.99	24,477.28
6	Dimension-IV 16-pc set, Cinnamon	506	44.99	22,764.94
7	Corelle 16-pc set, white	634	34.19	21,676.46
8	Expressions 20-pc set, Wildflower	290	67.49	19,572.10
9	Livngwr 16-pc set, Blue	532	34.19	18,189.08
10	Expressions 20-pc set, Indian Summer	269	67.49	18,154.81
11	Expressions 20-pc set, Meadow	253	67.49	17,074.97
12	Corelle 16-pc set, gold	484	34.19	16,547.96
13	Corelle 16-pc set, blue	456	34.19	15,590.64
14	Corelle 16 pc, green	370	34.19	12,650.30
15	Dimension-IV 15-pc set, Slate	278	44.99	12,507.22

COOKWARE

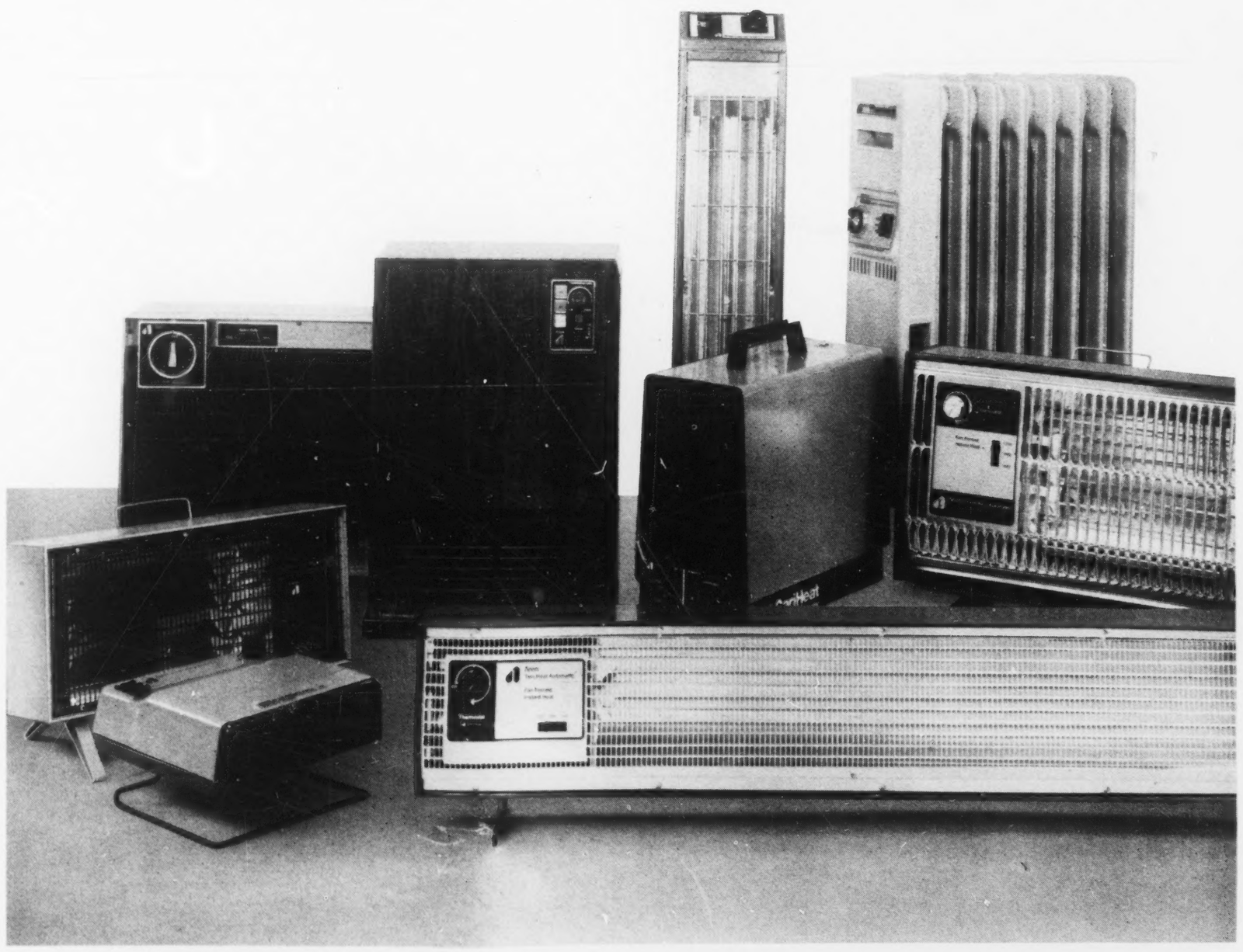
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Revere ss/cb kettle whistle 2.3 qt	1,419	20.70	29,373.30
2	Revere ss/cb kettle whistle 3½ qt	1,072	27.00	28,944.00
3	Wear-Ever Pref SilverStone 10" chf fr pn	2,376	10.79	25,637.04
4	Nordic 12c formed bundt asst.	2,760	8.09	22,328.40
5	Wear-Ever Pref SilverStone 8" chf fr pn	2,579	8.54	22,024.66
6	Ekco Baker's Secret lrg cookie sht 17x11	5,147	4.22	21,720.34
7	Mirro Wrtmore SilverStone 10" saute pn	2,190	9.89	21,659.10
8	Ekco Baker's Secret mdm cookie sht 15x10	5,173	3.86	19,967.78
9	Revere c/c stock pot 12 qt	282	64.80	18,273.60
10	Mirro 21-qt covered super pot	784	21.59	16,926.56
11	Gen Housewares Granite canner w/rack 21-qt	929	17.99	16,712.71
12	Revere copper kettle 2-qt Colonial	565	27.90	15,763.50
13	Ekco Baker's Secret obl utility pn 13x9	3,972	3.86	15,331.92
14	Mirro 7-pc set SilverStone almond	242	62.95	15,233.90
15	Ekco Baker's Secret 12-cup muffin pan	3,097	4.49	13,905.53

CORNING

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	6-cup Perc, Spice	1,593	26.99	42,995.07
2	6-cup Perc, Wildflower	1,323	26.99	35,707.77
3	2½-qt Oval casserole/lid, white	1,482	19.34	28,661.88
4	French White set (F-2 & F-6)	928	29.69	27,552.32
5	Starter set, Spice	480	53.54	25,699.20
6	5-qt Sauce pot, Wildflower	766	31.94	24,466.04
7	2½-qt Round casserole/lid, white	1,182	20.69	24,455.58
8	Kitchen Starter set, Wildflower	366	50.39	18,442.74
9	Roaster, French White	657	26.54	17,436.78
10	6-cup Perc, Cornflower	649	25.19	16,348.31
11	French white 10-pc hostess set	202	80.54	16,269.08
12	10" Pie/quiche, white	1,105	12.59	13,911.95
13	French White oval veg-dish, 1-qt	1,298	9.89	12,837.22
14	3-qt Sauce pan, Spice	517	24.74	12,790.58
15	5-qt Sauce pot, Spice	398	31.94	12,712.12

(Continued on page 56B)

High on styles and tops in sales.



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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PYREX			
1	5000 Bake 'N' Store set	6,516	15.29	99,629.64
2	233 3-qt oblong Bake dish	9,149	7.19	65,781.31
3	234 4-qt oblong Bake dish	4,686	9.44	44,235.84
4	516 16-oz Liquid measure	8,950	3.14	28,103.00
5	463-D 6-oz Custard cup 4-pk	7,151	3.86	27,602.86
6	232 2-qt oblong Bake dish	4,647	5.75	26,720.25
7	233-F Fireside 3-qt utility dish	3,560	7.19	25,596.40
8	2330 3-qt Utility dish w/basket	1,502	16.64	24,993.28
9	508 8-oz Liquid measure	9,318	2.51	23,388.18
10	703 3-qt oval covered casserole	1,695	11.69	19,814.55
11	222 2-qt square Cake dish	3,928	5.03	19,757.84
12	704 4-qt oval Baking dish	1,572	11.69	18,376.68
13	532 32-oz Liquid measure	4,085	4.49	18,341.65
14	6840 2-qt Casserole w/basket	1,085	16.64	18,054.40
15	464-D 10-oz deep Pie dish 4 pk	3,179	5.12	16,276.48
	MICROWAVE			
1	Nordic 62304 Micro-go-round	1,074	50.39	54,118.86
2	Corning P150GPCS Grab-it w/glss & plstc cvr	3,459	8.54	29,539.86
3	8534 Rubbermaid 8-pc deluxe set	594	41.39	24,585.66
4	Nordic 63204 bacon/meat rack	2,958	8.09	23,930.22
5	Corning MW-2 browning grill	704	31.49	22,168.96
6	Corning MW-A-10 10" cvrd brwng skllt	634	29.69	18,823.46
7	Rubbermaid 8531 4-pc casserole set	911	17.99	16,388.89
8	Anchor Hocking PM469/T1 bcn rck 12x10"	1,818	8.64	15,707.52
9	Anchor Hocking PM400126 popper/stmr/rstr	912	14.40	13,132.80
10	Anchor Hocking PM40012 5-pc set	349	36.63	12,783.87
11	Corning MW-11-S Little Sizzler grill	689	18.45	12,712.05
12	Microette 486 plate cover, clear	2,094	6.02	12,605.88
13	Corning MC-6 divided dish	636	17.99	11,441.64
14	Corning M-68 1-qt Cook-n-Pour	580	19.34	11,217.20
15	Rubbermaid 5166 bacon & roasting pan	1,038	10.79	11,200.02

(Continued on page 64)

Several chains mention microwave cookware as one of the fastest-growing categories on the housewares selling floor. Here, customers peruse the assortment at Mars' Chicopee, Mass., store. *(DSN photo)*

PMA

PRODUCT MOVEMENT AUDIT

2nd Half

(Continued from page 55)

sortments to encompass the price point. China Blossom has been the best-selling pattern in the CornerStone group of four.

Two other leaders in the tabletop category have emerged, but they don't appear in the dinnerware Product Movement Audit since that group tallies only Corning merchandise.

Both of these top sellers are from J. G. Durand: its 16-pc. pink glass Rosaline dinnerware set and the 20-pc. Fleur glass dinnerware set.

The glassware PMA listing gives some indication of the strength of Durand's entire Rosaline group in bulk pack and the 4-pack wine and goblet.

The entire glassware audit is, in fact, dominated by Durand which initially made its mark as a major factor in our type of business by offering strong promotions in stemware and bulk

(Continued on page 64)

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Toys 'R' Us Doubles Net In First Qtr.

ROCHELLE PARK, N.J.—Toys "R" Us more than doubled its net earnings during the first quarter, based on a sales gain of 31%.

Net earnings of about $5.4 million reflected a 113% increase over the $2.5 million in earnings the company reported during the year-earlier period.

Sales for the quarter rose to $181.7 million from $138.5 million during the first three months of fiscal 1983 (the company is now in fiscal 1984). Sales for the toy stores alone (not including the four department stores) increased by 34.9% to $175 million.

Citing a comparable-toy-store volume gain of 19.6%, chairman and ceo Charles Lazarus said cost controls and improved merchandising techniques helped increase quarterly profits.

Lazarus added the company has benefited from strong consumer demand for video games and home computers. The category accounted for 22% of the company's volume for the quarter vs. 20% a year ago.

"Our success in positioning ourselves as a major supplier of home computer hardware and software, combined with our reputation for wide selection, low prices and good service, has produced substantial add-on sales for us," he explained.

In the future, Toys "R" Us will continue to be a dominant retailer of this type of merchandise," Lazarus added.

The company plans to open 25 new toy stores this year—six in the Atlanta market.

The company will also launch a new children's apparel chain, called Kids "R" Us, in the New York metro area this summer.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	RUBBERMAID			
1	2894-C Roughneck round can 32-gal, avoc	3,206	25.64	82,201.84
2	2894-A Roughneck round 32-gal can, avoc	2,206	25.64	56,561.84
3	2890-C Refuse container 30 gal, choc	2,614	17.09	44,673.26
4	2979-C Roughneck rect can 30 gal, choc	1,224	25.64	31,383.36
5	2979-A Roughneck rect can 30 gal, avoc	774	25.64	19,845.36
6	2965-C rect Laundry basket, choc	3,161	5.75	18,175.75
7	2965-AL rect Laundry basket almond	3,061	5.75	17,600.75
8	2863-95 Ice tray blue, bulk pack	17,760	0.98	17,404.80
9	2858-C Step-on wastebasket, choc	1,321	12.95	17,106.95
10	2937-AL Twin turntable, almond	3,960	4.31	17,067.60
11	2858-AL Step-on wastebasket, almond	1,225	12.95	15,863.75
12	2915-AL Drawer organizer 9x3, almond	17,525	0.89	15,597.25
13	2936-AL Single turntable, almond	6,168	2.51	15,481.68
14	2311-AL Slide-out drawer 16", almond	1,350	11.06	14,931.00
15	1181-AL Drain tray 15x20, almond	3,450	4.31	14,869.50
	PLASTICS			
1	Loma 364 32-gal garbage can, green	1,295	11.69	15,138.55
2	Clipper 1048 spray bottle pint	7,582	1.43	10,842.26
3	Freezette 156 uprite set 1 qt	3,456	2.96	10,229.76
4	Freezette 158 uprite cont 1 gal	3,924	2.51	9,849.24
5	Freezette 154 uprite set 1 qt	3,216	2.96	9,519.36
6	Freezette 5504 refrig bottle 1 gal	3,384	2.69	9,102.96
7	Freezette 94187 ½-gal pitcher w/4 tumblers	3,312	2.42	8,015.04
8	Freezette 155 uprite set 1½ pt	2,328	2.96	6,890.88
9	Superseal 2757 2-qt decanter clear	3,585	1.88	6,739.80
10	Freezette 152 uprite set ½ gal	2,123	2.96	6,284.08
11	Freezette 506 push-pull jar 2.75 qt	2,783	2.24	6,233.92
12	Cadence 60061 stemrack clear acrylic	962	5.84	5,618.08
13	Arrow 189 colander 4-qt asst	3,103	1.52	4,716.56
14	Clipper 1024 spray bottle qt	2,436	1.79	4,360.44
15	Freezette 333 snap-lock container 1¼ qt	2,700	1.61	4,347.00

(Continued on page 64B)

Wal-Mart in Bentonville, Ark., presents a strong lineup in hurricane lamps and lamp oil. The merchandise shares gondola shelf space with an assortment of mugs. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

2nd Half

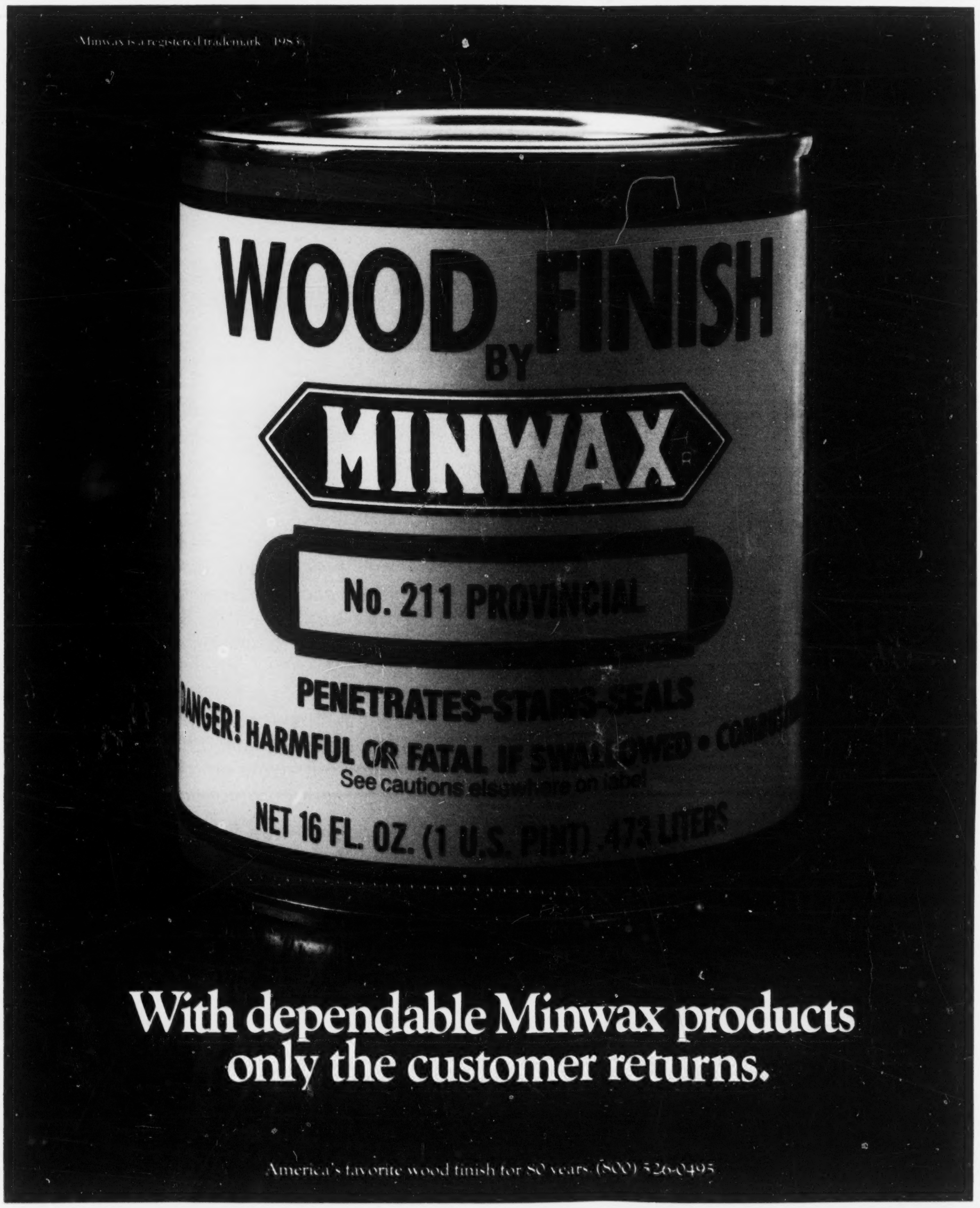
(Continued from page 56B)

tumblers.

Our heavy sales of Durand during this PMA period are partially due to strong promos of bulk items by supermarket and drug chain customers as well as discounters.

Sun tea jars have been good glassware items on the West Coast for a while now, and they continue to sell. We've had excellent results with the Riley sun tea jar with a pour spout lid and spigot, priced at $6.99 to $7.99 retail, lower on promotions.

(Continued on page 64B)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Grand Auto Net Up 15% For 1st Qtr.

OAKLAND, Calif.—Grand Auto's first-quarter net earnings increased 15% on sales that rose 9% for the period.

Net earnings for the 13 weeks ended May 1 totaled $762,000 or 26¢ per share, compared to $665,000 or 23¢ per share for the same period last year. Earnings per share were restated to reflect the 3 for 1 stock split approved by the chain's board of directors May 19.

Sales for the first quarter totaled $31,498,000, a 9% increase over the $28,933,000 recorded in 1982.

The stock split recently approved by the board became effective June 10 to shareholders of record that day. It was payable June 24.

The board also decided to increase the chain's quarterly cash dividend to 0.07¢ which is equivalent to 0.21¢ per share on a presplit basis. The dividend was payable June 24 to shareholders of record June 10.

Irving E. Krantzman, chairman and ceo of the company, said the board's action will result in increased stock trading liquidity and broader investor representation.

There are now 992,755 common shares outstanding. After the split that number will rise to 2.9 million.

"We anticipate continued growth in sales during the balance of fiscal 1983 with the addition of new stores and a commitment to increase Grand Auto's market share in existing locations with improved merchandise presentation and customer service," Krantzman said, referring to the sales and earnings gain in the first quarter.

Grand Auto operates 81 retail automotive stores throughout northern and central California and western Nevada.

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	Swing-A-Way 407-C21 hnd cn opnr 5YR, choc	3,710	4.67	17,325.70
2	Gemco 2901 glass perk 8-cup asst colors	1,471	10.75	15,813.25
3	Swing-A-Way 407-H21 hnd cn opnr 5YR, hrvst	3,246	4.67	15,158.82
4	Rhodes 29035 timer short ring, almond	1,607	8.55	13,739.85
5	Swing-A-Way 107 cn opnr jr smll hnd, asst	5,560	2.42	13,445.20
6	American Family 3100 1-lb diet scale kt	1,907	5.84	11,368.80
7	Rhodes 29031 timer short ring, white	1,226	8.55	10,482.30
8	Bromwell 3119 4-side grater stnlss 9"	2,379	4.04	9,611.16
9	Taylor 5939 s/s therm meat dial	1,276	7.15	9,123.40
10	Ekco 00670 garlic press	2,979	3.05	9,085.95
11	Mart 15 wood cutting board 10x14"	1,410	6.20	8,742.00
12	Phx 6628 wing corkscrew	2,040	4.27	8,710.80
13	Mart 18 wood cutting board 12x16"	1,097	7.91	8,677.27
14	Foley 25368 nylon spatula asst colors	9,834	0.88	8,653.92
15	Chaney 722 tube therm fry/cdy/jel	4,025	2.06	8,291.50
	CLOSET & STORAGE			
1	McMillin 1-pc wire shoe rack	1,704	3.58	6,100.32
2	Tamor pk5 child tubulars asst	2,040	1.25	2,550.00
3	Wil-Hold large storage box	348	6.74	2,345.52
4	A&E plastic tubular hanger beige	10,424	0.23	2,293.28
5	A&E plastic tubular hanger brown	9,790	0.23	2,251.70
6	Tamor plastic shoe rack almond	618	3.59	2,218.62
7	A&E set 10 drip dry hanger wire vinyl	1,542	1.43	2,205.06
8	A&E plastic tubular hanger white	9,316	0.23	2,142.68
9	Tamor plastic shoe rack brown	552	3.59	1,981.68
10	A&E set 3 suit hanger w clip clear	807	2.06	1,662.42
11	Wil-Hold small storage box	288	5.57	1,604.16
12	A&E plastic tubular hanger yellow	6,624	0.23	1,523.52
13	Itex tubular plastic hanger almond	8,783	0.17	1,493.11
14	Wil-Hold shoe box vanilla lid	720	2.06	1,483.20
15	A&E set 2 slack hanger wood	719	1.79	1,287.01

(Continued on page 67)

One of the fastest sellers at the opening of Bradlees' East Hanover, N.J., store was wire-grid stacking chairs. They were featured in the grand opening circular and promoted at $8.99. *(DSN photo)*

PMA

PRODUCT MOVEMENT AUDIT

2nd Half

(Continued from page 64)

Our bakeware category has been growing substantially even though the first half isn't usually a big one for the merchandise. The SilverStone coated items have been well received, but the "old favorite" Ekco's Baker's Secret merchandise is still moving fast.

Part of the reason for the continuing success of Baker's Secret is Ekco's determination to maintain its position as the bakeware leader despite the onslaught of other lines with the SilverStone finish. Ekco continues to support the line with heavy television ads.

At San Francisco's Gourmet Housewares Show, Ekco intro-

(Continued on page 67)

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U.S. Shoe Eyes $1.5B For '83 After Hot 1st Qtr.

CINCINNATI—U.S. Shoe chairman Philip Barach is predicting a 20% increase in annual volume to $1.5 billion for 1983.

At the company's annual meeting Barach pointed to the record-high first-quarter figures as an indication of the company's direction for the year. Earnings for the quarter rose 28% to $11.4 million and sales rose 19% to $318.5 million.

During the three months ended April 30, 1983, the company opened 46 specialty retailing units: 17 Ups 'n Downs, 15 Casual Corner, 5 T. H. Mandy, 5 Little Folks and 4 Caren Childs units. Another 138 specialty stores and 5 more Front Row off-price apparel stores are planned for 1983. Two Front Rows will be in Chicago and three in Houston.

At the annual meeting, shareholders approved a 2-for-1 stock split which will increase the number of common shares from 15 million to 30 million. The stock split will be in the form of a 100% common share dividend payable June 17, 1983, to shareholders of record on May 26.

Carlisle Complaint Rejected by I.T.C.

WASHINGTON—The International Trade Commission rejected Carlisle Tire and Rubber Co.'s complaint that mass merchandise chains cut back sharply on orders for their bicycle tires and tubes because of "unfair price" competition by Taiwanese firms.

The commission's decision was made after a year-long investigation of pricing activities of Taiwanese bicycle tire and tube exporters.

In justifying its rejection of the complaint, I.T.C. said that Government trade experts have determined "that bicycle tires and tubes from Taiwan are not being, nor are likely to be, sold in the United States at less than fair value."

HOUSEWARES

PMA®

PRODUCT MOVEMENT AUDIT

2nd Half

(Continued from page 64B)

duced an important new group for second half-selling. It's Ekco Baker's Secret Classics, a line of eight bakeware items designed to capitalize on the trend to gourmet cooking. The items have been designed for baking foods such as flan and tarts; some items are scalloped or shell-shaped.

We added the Wear-Ever glass ovenware with the SilverStone lining in March. This hasn't given the merchandise enough time on retail shelves to shop up on the PMA listing, but it's moving well at the retail level.

Another successful recent introduction is the Mirro bakeware line with SilverStone.

In the microwave cookware category a recent entry has already had an impact on the PMA listing of the top 15 sellers. Two Rubbermaid sets—the 8-pc. deluxe set and the 4-pc. casserole set—are on the list. The entire Rubbermaid microwave line has been getting a big share of the business.

Nordic's Micro-Go-Round is holding onto its top spot in this category. Merchandise from Corning and Anchor Hocking are also mainstays in microwave cookware sections.

There are other recently introduced items that have been moving fast that haven't had enough time to appear on the best-seller list. Among them are a mini-blind cleaning wand for small slat venetian blinds; the "Eggmate" omelet/poacher pan from Mirro, and a quart size decorator plastic sprayer bottle from Contico.

Second-half promotional offerings from several manufacturers look good. We've already mentioned Corning. Wear-Ever promos for its Preferred and Premium cookware, and the Rubbermaid specials also offer a great deal of volume potential. Many chains will probably be planning heavily around the offers from these three basic resources.

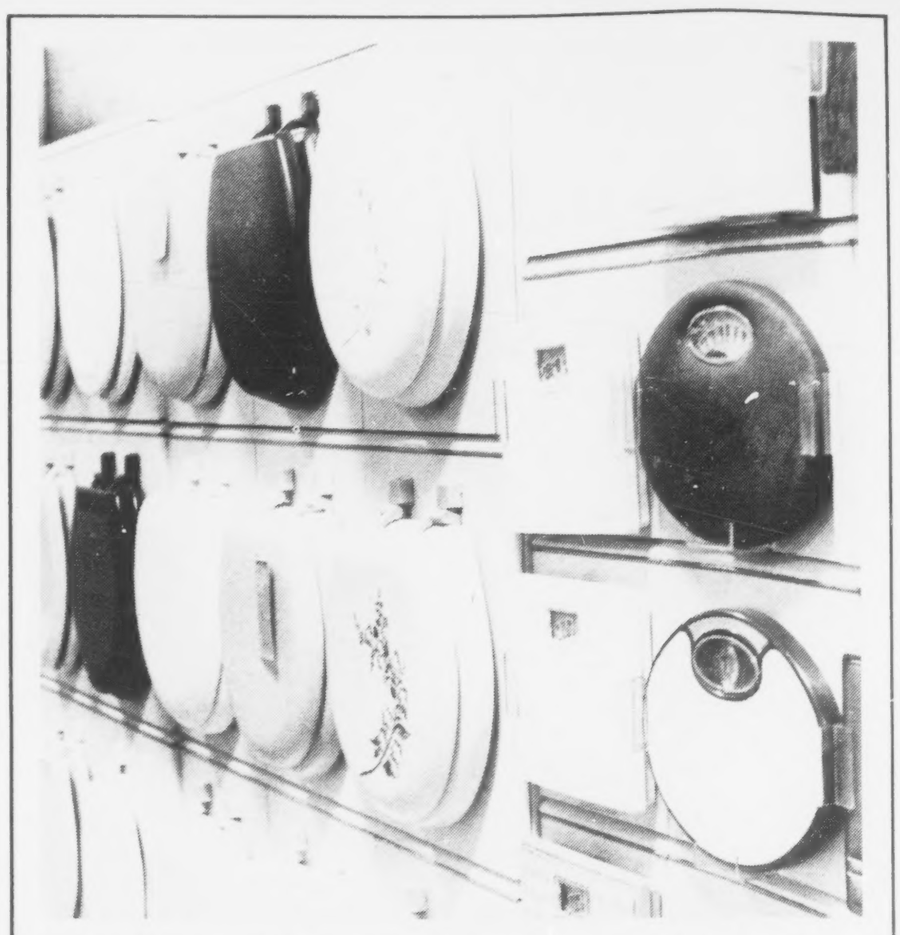
CMA Elects Kieckhafer Prez

WALWORTH, Wis.—The Cookware Manufacturers Association (CMA) has elected Thomas W. Kieckhafer president.

Kieckhafer is vice president, sales, of the West Bend Company. Geoffrey C. Fear, president of Chicago Metallic Products, was elected CMA vice president; Paul Uetzmann was re-elected executive vice president.

Directors re-elected by the CMA membership were: Arnold H. Dreyfuss, chairman/ceo of Wear-Ever Aluminum; Judy McBee, vice president of marketing for Farberware, and Fear.

The CMA also forecast a 1983 record year for the industry; industry shipments during the first four months were ahead of last year by 19.2%.



The bath shop in Prange-Way's East Town store in Green Bay, Wis., features a newly designed fixture for toilet seats and scales. Customers lift the doors holding the sample model to find the boxed stock. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BATH SHOP			
1	Grayline king-size shower caddy	4,524	5.12	23,162.88
2	Grayline jumbo helper shelf (stand)	2,202	3.95	8,697.90
3	Selfix shampoo spray	3,143	2.06	6,474.58
4	Grayline small shower caddy	1,962	3.14	6,160.68
5	Counseler fbr-opt bath scale natural	177	31.49	5,573.73
6	Counselor fbr-opt bath scale walnut	174	31.49	5,479.26
7	Selfix protable wall/hand shower	530	9.89	5,241.70
8	Borg scale square almond	266	16.19	4,306.54
9	Borg scale wicker natural	199	18.89	3,759.11
10	Borg scale wicker brown	193	18.89	3,645.77
11	Borg scale square brown	199	16.19	3,221.81
12	Borg scale rectangular brown	133	21.59	2,871.47
13	Borg scale rectangular white	122	21.59	2,633.98
14	Borg scale oval almond	101	25.19	2,544.19
15	Borg elec digital scale almond	34	62.99	2,141.66
	CLEANING CHEMICALS			
1	Willert t/bowl fresh deod tree	22,680	0.62	14,061.60
2	Nat c/broom (20%) economy 4sew	2,022	4.04	8,168.88
3	Vac bag Eureka upright	7,896	0.90	7,106.40
4	Willert cedar m-balls 7-oz bag	5,052	1.25	6,315.00
5	O-Cel-O sponge hand size 4-pk/bp40	6,720	0.89	5,980.80
6	Roll-O-Matic sponge mop	517	10.97	5,671.49
7	Vac bag Hoover bottomfill	6,224	0.90	5,601.60
8	Quickie automatic sponge mop	720	7.37	5,306.40
9	Ballonoff copper dustpan	3,048	1.70	5,181.60
10	White 12" black dust plan	1,608	3.05	4,904.40
11	Kellogg capt hook angle brown	1,038	4.49	4,660.62
12	White 16" black dust pan	768	5.93	4,554.24
13	Quickie automatic roller mop	540	8.27	4,465.80
14	Willert Enoz moth ball 1-lb box	2,592	1.70	4,406.40
15	Curity cheese cloth, 2-yd pkg	3,777	1.07	4,062.79

Source: Bacar, distributors, San Jose, Calif., for Jan. 1 through May 4, 1983, covering 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.

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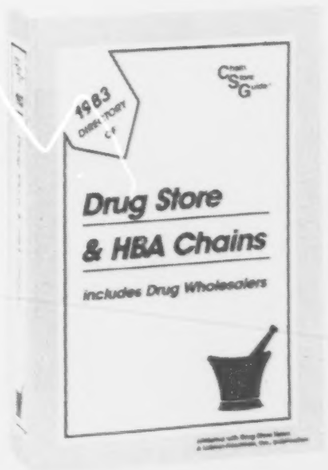

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

Higher-end Promos Fail To Impress

By ARNOLD REINHARD
Director of Sales, Schreiber Company

Based on housewares sales increases clocked in during the first five months, most discounters are looking for strong gains during the second half. Despite all the talk about trading up and high-fashion merchandise, the big dollar sales generators are expected to be in basic merchandise. That's where chains are headed with second-half promotions.

Many stores that tried going "off center" by promoting higher-end items were disappointed and found they didn't really bring in the volume business. There have been some exceptions to this. One of them has been promos on Farberware cookware sets.

Steering toward volume promotions, however, isn't necessarily synonymous with sticking to just the lowest possible price tag.

For example, 35-pc. sets in basic Corelle Livingware, promoted in the area of $48-$50, have been consistent winners

(Continued on page 73)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLASSWARE			
1	Gallery ceramic assorted coffee mugs	6,762	1.38	9,331.56
2	Libbey 81837T 18-pc Capri	443	9.90	4,385.70
3	Gallery Ceramic assorted coffee mugs	2,418	1.62	3,917.16
4	Libbey 82482 24-pc Chivalry	188	19.00	3,572.00
5	Anchor Hocking 700/719A table set	335	9.14	3,061.90
6	Durand 8001356 Diamant bowl 9	1,166	2.55	2,973.30
7	Durand 8011017 Diamant bowl 5	3,432	0.81	2,779.92
8	Anchor Hocking W1071 bud vase 9"	2,971	0.90	2,673.90
9	Anchor Hocking 1153 1-liter beer mug	887	2.90	2,572.30
10	Anchor Hocking N1216 gold ash tray	1,476	1.67	2,464.92
11	Durand #3035870 Noblesse Cord 4	576	4.09	2,355.84
12	Anchor Hocking beer mug 15 oz	1,464	1.55	2,269.20
13	Anchor Hocking N3600/723 7-pc set, gold	371	5.95	2,207.45
14	Libbey set 8 393/23516 Enchmnt beverage	317	6.64	2,104.88
15	Anchor Hocking 705 butter dish	1,495	1.33	1,988.35
	COOKWARE			
1	Mirro W1788-34 7-pc cook set	2,545	26.45	67,315.25
2	Mirro W0788-34 fry pan 12"	7,026	8.11	56,980.86
3	Mirro W0786-34 fry pan 10"	6,399	6.36	40,697.64
4	Mirro W0785-34 fry pan 8"	7,851	4.70	36,899.70
5	Gen Hsewres 0707 21-qt covered canner	1,842	13.10	24,130.20
6	Mirro M0512 pres cann 12 qt	429	55.76	23,921.04
7	Revere 3835 3867 7-pc set	338	62.24	21,037.12
8	Mirro W0795-34 griddle 11	2,402	7.92	19,023.84
9	Ken Carter MB-13 13-qt ss bowl	3,272	4.86	15,901.92
10	Mirro M0598 pres canner 8 qt	360	43.50	15,660.00
11	Ken Carter MB-8 8-qt mix bowl	3,129	3.51	10,982.79
12	Ken Carter MB-5 5-qt ss mix bowl	3,611	2.43	8,774.73
13	Mirro M0932-36 teakettle, choc	1,590	4.39	6,980.10
14	North Amer Philips RP6 replacement bowl	623	9.37	5,837.51
15	Mirro M0932-43 teakettle, almond	1,325	4.39	5,816.75

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	DINNERWARE			
1	Corelle 35-4 35 pc, gold	503	59.07	29,712.21
2	Corelle 35-23 35 pc, light blue	487	59.07	28,767.09
3	Corelle 35-1 35 pc, green	470	59.07	27,762.90
4	Corelle 35-5 35 pc, blue	467	59.07	27,585.69
5	Corelle 35-6 35 pc, brown	361	59.07	21,324.27
6	Corelle 16-4 16 pc, gold	632	24.49	15,477.68
7	Corelle 16-5 16 pc, blue	503	24.49	12,318.47
8	Corelle 16-1 16 pc, green	502	24.49	12,293.98
9	Corelle 16-23 16 pc, m blue	322	24.49	7,885.78
10	Corelle 16-N white, 16 pc	275	24.49	6,734.75
11	Corning 410-1 small bowl brown 10	720	8.42	6,062.40
12	Corning 410-4 small bowl gold 10	696	8.42	5,860.32
13	Corelle 35 35-pc white set	96	59.07	5,670.72
14	Corelle 16-6 16-pc set, brown	230	24.49	5,632.70
15	Corning 432-1 1-qt bowl, green	770	7.31	5,628.70
	FLATWARE			
1	Imperial Fleurette 50-pc set	546	20.16	11,007.36
2	Imperial Nova 50-pc set	493	20.16	9,938.88
3	Imperial Young Rose 50-pc set	457	20.16	9,213.12
4	Imperial Serta 50-pc set	380	20.16	7,660.80
5	Imperial Nova 25-pc set	604	10.92	6,595.68
6	Imperial Young Rose 25-pc set	552	10.92	6,027.84
7	Oneida 468 Main St 20-pc set	220	23.80	5,236.00
8	Imperial Fleurette 25-pc set	460	10.92	5,023.20
9	Imperial Serta 25-pc set	422	10.92	4,608.24
10	Oneida 479 Daydream 20-pc set	368	12.18	4,482.24
11	Oneida 526 Lasting Rose 20-pc set	131	27.57	3,611.67
12	Oneida 494 Encore 20-pc set	239	12.18	2,911.02
13	Oneida 553 Emila 20-pc set	105	27.57	2,894.85
14	Oneida 481 Am Ballad 20-pc set	230	12.18	2,801.40
15	Oneida 525 Strathmore 20-pc set	96	27.57	2,646.72

(Continued on page 73)

FTC May Place Care-Label Onus On Big Retailers

WASHINGTON—Key discount chains and other large retailers may be held liable for improperly labeled apparel and soft goods under "final" new proposed amendments to the Federal Trade Commission's textile Care Labeling Rule.

But, the changes in those regulations—which must still survive a review by Congress—will ease other Federal requirements under which retailers must pass on care labels for piece goods, FTC officials told a National Conference on Care Labeling late last month.

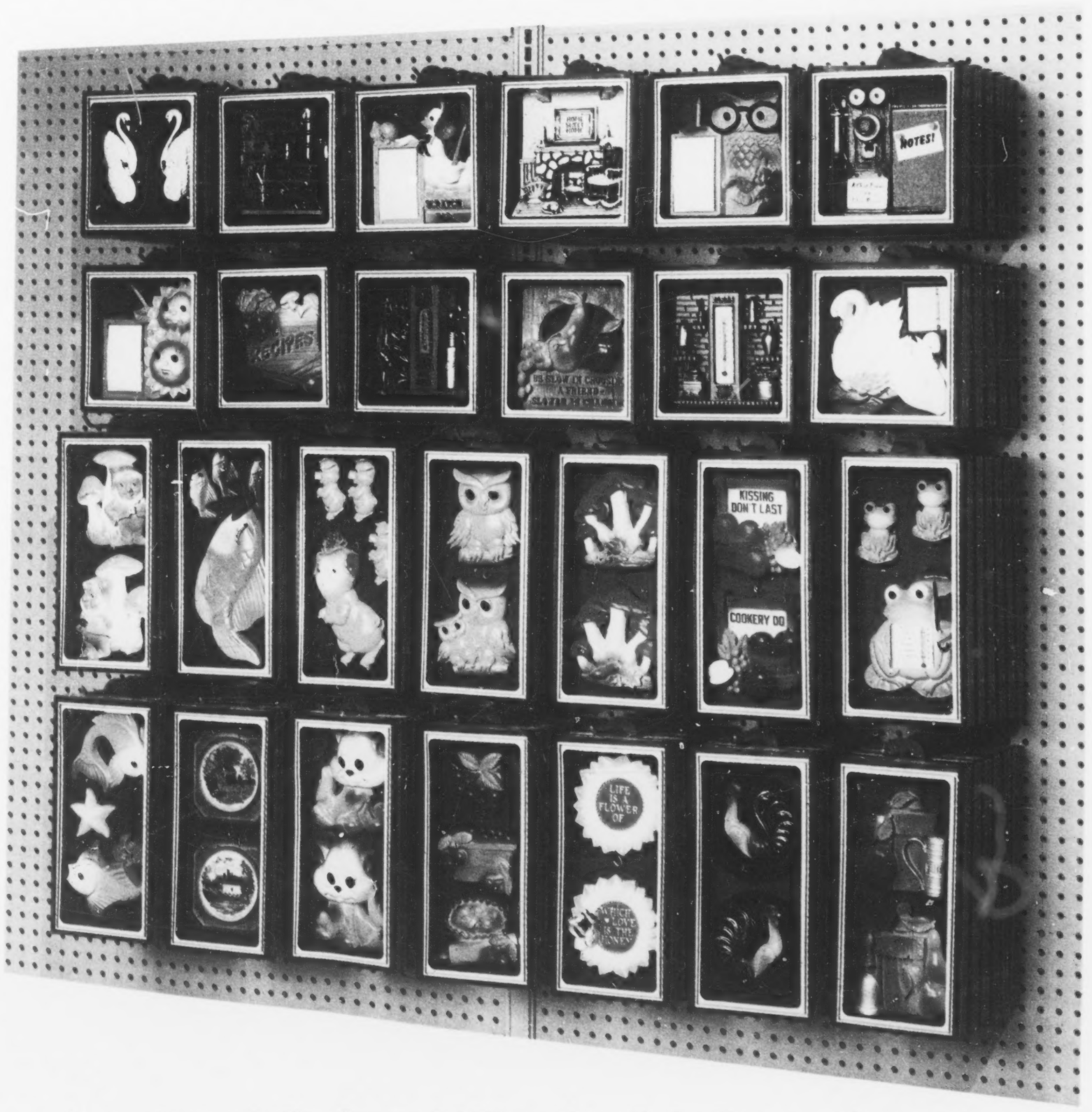
The commission's 12-year-old care-labeling rule is designed to provide consumers with information on the maintenance of their apparel and to reduce the likelihood of damage from improper cleaning procedures.

Although the 1971 rule prohibits the "unfair or deceptive practice of failing to attach a label to finished textile products," it doesn't specifically state who is responsible for compliance.

This "lack of clarity poses an obstacle to the enforcement of

(Continued on page 73)

Pegged for Profit



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HOUSEWARES

Housewares basics, Corning dinnerware and 4-pack beverageware, share a gondola run at a Target, San Diego, store. The dinnerware assortment includes the recently introduced Corning CornerStone. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MICROWAVE			
1	Anchor Hocking PM400/127 5-pc set	1,227	21.94	26,920.38
2	Corning MW-11-S browning grill	1,263	15.58	19,677.54
3	Anchor Hocking PM469/T1 bacon rack	2,999	5.31	15,924.69
4	Corning MC-4 2½-qt oval dish	870	14.01	12,188.70
5	Anchor Hocking PM444/T1 bake sheet	1,932	5.31	10,258.92
6	Anchor Hocking PM486/T1 divided plate	1,876	5.31	9,961.56
7	Anchor Hocking PM481/T1 utility pan	1,714	5.31	9,101.34
8	Anchor Hocking PM447/T1 muffin pan	1,380	5.31	7,327.80
9	Corning MW101 set of 3	287	22.91	6,575.17
10	Anchor Hocking PM479/T1 roast rack	1,211	5.31	6,430.41
11	Corning MW-2 browning grill	223	24.73	5,514.79
12	Anchor Hocking PM459/T1 baking ring	978	5.31	5,193.18
13	Corning MW-A-10 browning skillet	206	23.85	4,913.10
14	Corning M-10-GR covered cooker 10	180	18.00	3,240.00
15	Anchor Hocking PM480/T1 4-qt cooker	328	9.45	3,099.60
	CORNING			
1	A-1 1/2-7 covered dish, Flower	846	14.99	12,681.54
2	A-1 1/2-8 covered dish, Spice	822	14.98	12,313.56
3	A-1 1/2 covered dish, Cornflower	855	13.03	11,140.65
4	A-3 Covered saucepan	618	17.69	10,932.42
5	A-3-8 Covered saucepan 3	550	19.40	10,670.00
6	A-3-7 Covered saucepan 3	510	19.40	9,894.00
7	P-166-7 6-cup perc, Flower	395	21.29	8,409.55
8	A-5 5-qt casserole, Cornflower	339	23.26	7,885.14
9	A-5-7 5-qt casserole, Flower	276	25.08	6,922.08
10	F-2 Covered oval casserole 2	417	16.20	6,755.40
11	P-150-GPC Grab-It set & cover	1,152	5.22	6,013.44
12	P-166 6-cup perc, Cornflower	297	19.85	5,895.45
13	P-150 Grab-It set 15 oz 2	561	10.11	5,671.71
14	A-5-8 5-qt covered dish, Spice	225	25.08	5,643.00
15	P-166-8 6-cup perc, Spice	249	21.29	5,301.21

(Continued on page 74)

PMA®

PRODUCT MOVEMENT AUDIT

Higher End

(Continued from page 72)

despite the relatively large dollar layout asked of customers. These 35-pc. sets show up on the Product Movement Audit (PMA) as, by far, the dominant sales producers in the dinnerware category.

By contrast, attempts to bring in big volume with promotions in the smaller configuration sets in Corelle's higher priced Traditions, Expressions, and Dimensions IV haven't been nearly as successful.

Not Desirable

Our experience with Corning's latest dinnerware entry, the CornerStone collection geared to compete in the ironstone/stoneware market, hasn't been favorable. We will continue to stock the merchandise for selected customers.

Lloyd Eberly, vice president of purchasing for Schreiber, said he's excited about Corning's new promotional strategy for Corelle dinnerware in the second half. Many Corelle openstock items, previously available only in four-packs, will be offered in bulk.

"Corning is phasing out its practice of packing with paper between the merchandise and going to a light paper-type coating which protects the merchandise and which the customer washes off," said Eberly. "I

(Continued on page 74)

Care Labels

(Continued from page 72)

the rule," FTC officials said in proposing amendments to the regulation.

Among other things the proposed amendments explicitly place the responsibility for care labeling of textile wearing apparel on "manufacturers and importers" including "any person or organization that directs or controls the manufacture or import" of these items, FTC said.

Consequently, "in specific situations, this responsibility may rest with retailers if they directed or controlled the manufacture of the finished product," FTC officials said during the care labeling conference, held in Washington.

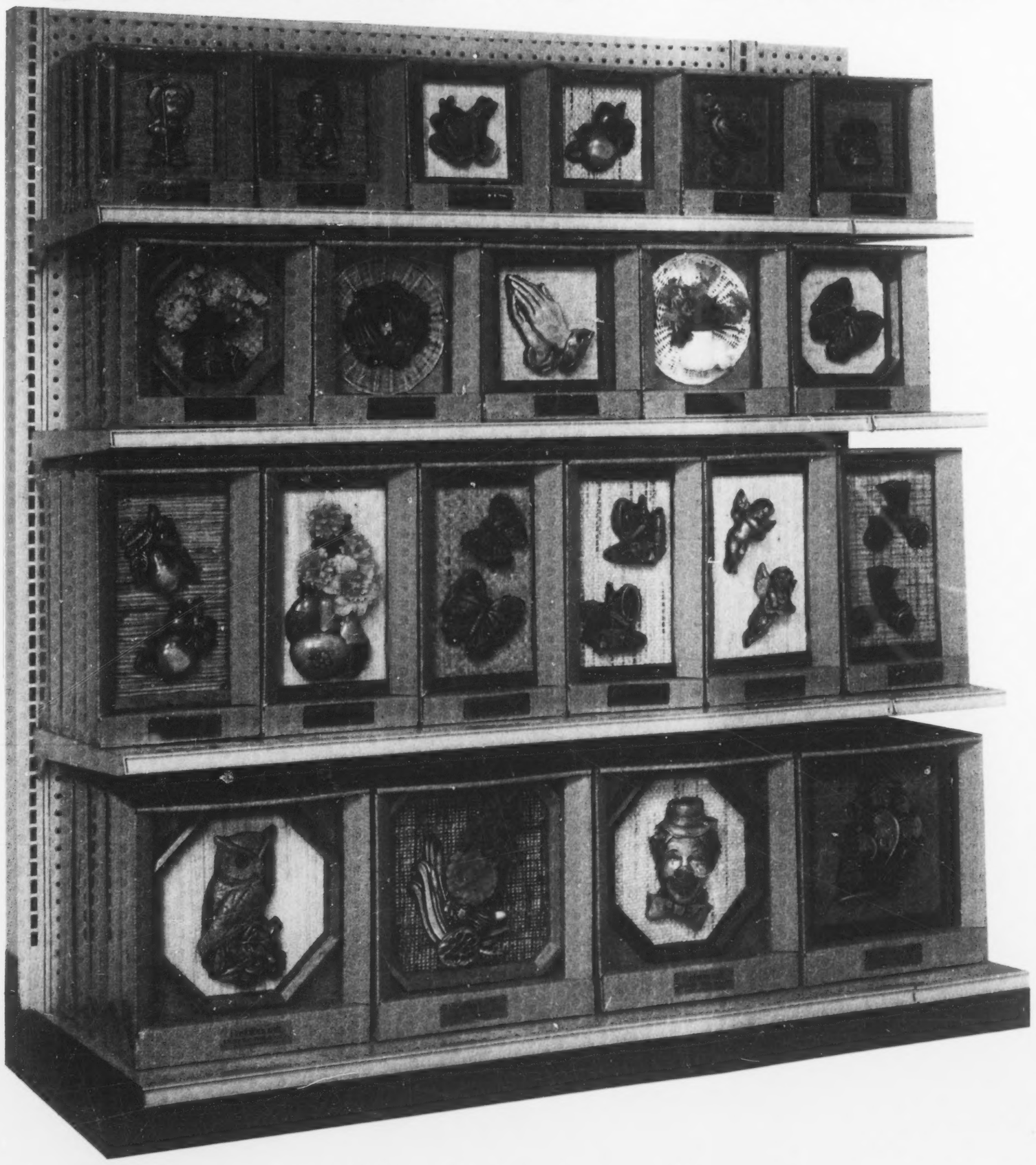
"Failure to provide reliable care instructions and warnings for the useful life of an item, as required, constitutes a violation of the FTC act and could subject the violator to enforcement action and penalties," they added.

On the other hand, the new care labeling regulations would reduce other burdens currently placed on retailers.

Under the proposed amendments retailers would no longer have to distribute care labels for "piece goods"—bolts or rolls of material used for home sewing—to consumers, FTC officials pointed out.

(Continued on page 74)

Shelved for Show



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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PYREX				
1	463-D 6-oz Custard	2,578	3.05	7,862.90
2	2330 Bake dish/basket	523	14.07	7,358.61
3	7020 2-qt Casserole w/basket	520	14.07	7,316.40
4	232 Utility dish 2 qt	1,462	4.82	7,046.84
5	3520-S 2-liter jug	1,578	4.43	6,990.54
6	95-F 3-pc amber bowls	906	7.22	6,541.32
7	480-61 3-pc Casserole frst	416	15.55	6,468.80
8	480-80 Shen casserole set	410	15.55	6,375.50
9	6245-F Casserole/bras	423	14.86	6,285.78
10	516 16-oz Measuring cup	2,495	2.50	6,237.50
11	6840 Casserole/basket	428	14.07	6,021.96
12	229 9" deep pie plate	2,227	2.58	5,745.66
13	480-49 3-pc Casserole, white	369	15.55	5,737.95
14	2325-F Bake dish/bras	382	14.86	5,676.52
15	300-61 bowl set frst	560	10.03	5,616.80
BAKEWARE				
1	Ekco 54650 Heart cake pan	6,840	1.89	12,927.60
2	Ekco 64330 Oblong cake pan	3,119	2.86	8,920.34
3	Ekco 64470 Loaf pan Baker's Secret	3,276	2.52	8,255.52
4	Mirro C6032 Tea muffin pan	4,148	1.62	6,719.76
5	Ekco 64590 12" Pizza pan	2,314	2.86	6,618.04
6	Ekco 64100 Cookie sheet	1,762	2.86	5,039.32
7	Ekco 64080 Cookie sheet	2,016	2.27	4,576.32
8	E-Z-Por 815 Oven liner 2-pk	2,376	1.74	4,134.24
9	Ekco 64200 12-cup muffin pan	1,152	3.43	3,951.36
10	Ekco 64110 Cookie sheet	1,242	3.15	3,912.30
11	Ekco 54410 Angel food round	864	4.29	3,706.56
12	E-Z-Por 2821 Square cake pans	2,964	1.25	3,705.00
13	Ekco 54110 Cookie sheet	1,500	2.25	3,375.00
14	Ekco 54330 Oblong cake pan	1,788	1.82	3,254.16
15	E-Z-Por 1894 lasagne pan	2,172	1.46	3,171.12

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
CHEMICALS				
1	Johnson 0344 14-oz Favor	18,888	2.00	37,776.00
2	Texize 271 Fantastic spray	22,191	1.63	36,171.33
3	Lehn 2121 Lysol spray 18-oz	9,324	3.59	33,473.16
4	Boyle 6140 Woolite liquid 16-oz	14,663	2.20	32,258.60
5	Purex 00107 1-gal bleach	20,818	1.33	27,687.94
6	Purex 01614 Trend 147-oz	5,886	4.56	26,840.16
7	Raid 01375 gypsy moth spray	3,303	8.09	26,721.27
8	Boyle 5208 3402 Sani-Flush	23,988	1.04	24,947.52
9	Clorox 0303 40-oz	11,856	2.09	24,779.04
10	3M 4101 Scotchguard 16-oz	4,967	4.88	24,238.96
11	Clorox 0026 soft scrub 26-oz	10,764	2.18	23,465.52
12	Lehr 3022 Love My Carpet rg	8,706	2.68	23,332.08
13	Procter & Gamble 32-oz Dawn dish detergent	8,311	2.63	21,857.93
14	Boyle 215 spray starch 22-oz	16,062	1.31	21,041.22
15	Dow Chem 3264-9 bath cleaner 17-oz	13,848	1.50	20,772.00
LAUNDRY				
1	Seymour 011-11 iron table	1,545	12.60	19,467.00
2	Magla 1955 portable iron board	2,988	5.11	15,268.68
3	Seymour 019-21 iron table	583	16.10	9,386.00
4	Magla 3633 pad/cover set	2,664	3.43	9,137.52
5	Penley 24 wd spring pins 40	5,793	1.51	8,747.43
6	Seymour 013-21 iron table	460	14.91	6,858.60
7	Winchester #7-100 cot. clothesline	1,655	3.22	5,329.10
8	Penley 27 wood spring pins	2,400	1.90	4,560.00
9	Penley 15 wood clothespins	2,429	1.75	4,250.75
10	Winchester #6-100 cot. clothesline	1,476	2.73	4,029.48
11	Crowe (Mark) D-C-OO #6 poly line	1,307	2.52	3,293.64
12	Hill 4163 pink gloves, medium	2,882	1.13	3,256.66
13	Debro 2007 small indoor dryer	538	5.74	3,088.12
14	Magla 733 Tef iron board cover	1,108	2.69	2,980.52
15	Magla 30 clothes pin bag	1,967	1.48	2,911.16

(Continued on page 76)

PMA

PRODUCT MOVEMENT AUDIT

Higher End

(Continued from page 73)

believe its success in selling bulk in its own outlets and its new packing have led Corning to offer Corelle in bulk to the stores."

Schreiber's plan isn't to duplicate inventory in Corelle but to maintain 16-pc. and 35-pc. sets and stock open stock merchandise in bulk, instead of the 4-packs, where it's available.

Margins Up

Moving to bulk, which Corning has priced sharply, should allow the chains to broaden margins on Corelle promotions which are highly competitive and characterized by slim margins. For example, the 10-in. dinnerplate in a 4-pack is usually promoted at $10-$11 minimum. Moving to bulk on the items means it can be promoted at 20% off at about $1.99-$2.49 per plate, giving customers a good buy and retailers a 25% to 30% markup.

One category that recently rolled strongly into our trade areas is microwave cookware, no longer a West Coast phenomenon. Many of our customers are expanding their space for the microwave merchandise.

Chains with a 4-ft. space have moved to 8 ft.; those already using an 8-ft. area are frequently adding another 4 ft. of space.

As the PMA shows, our back-

(Continued on page 76)

Care Labels

(Continued from page 73)

Rather, manufacturers would be required to place care information on the end of each bolt or roll of piece goods, they added.

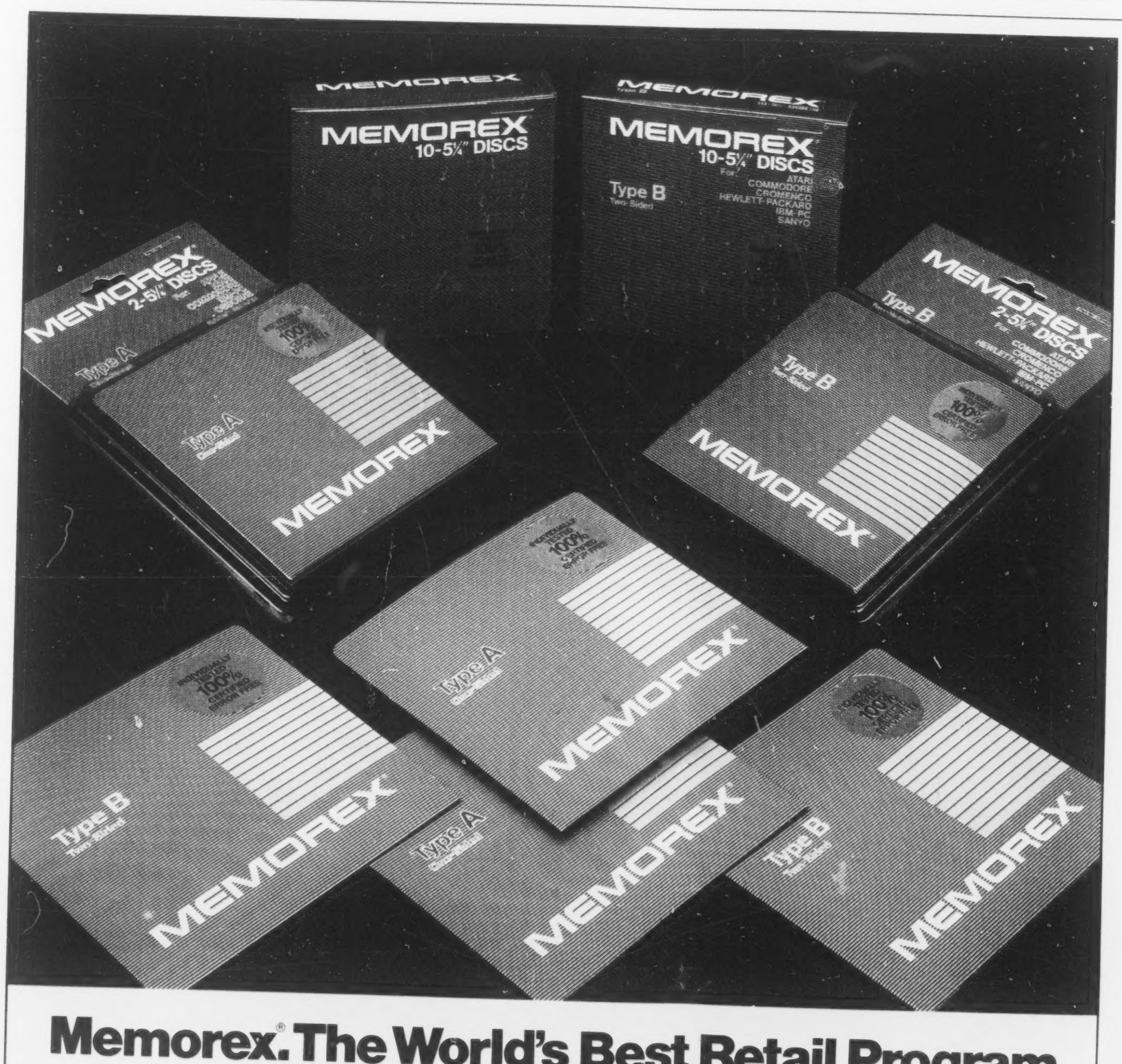
Currently manufacturers must provide care labels for piece goods to retailers who are then responsible for distributing the instructions to customers.

According to FTC, however, the "requirement hasn't operated as intended" because "retailers usually don't distribute them to purchasers, and it appears consumers don't sew them into the garments they make."

During the care labeling conference FTC Chairman James Miller III and other Federal trade officials also outlined the specific instructions that would have to appear on textile apparel goods if the proposed changes are made.

While the requirements differ depending on the article, at a minimum, care instructions would include a specific method of washing and drying, they pointed out.

Congress still has over a month to decide whether or not to approve the amendments. If Congress doesn't veto the proposal, the new requirements will become effective 90 days after the lawmakers make their decision.



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HOUSEWARES

PMA®

PRODUCT MOVEMENT AUDIT

Higher End

(Continued from page 74)

bone resources in the microwave area are Anchor Hocking and Corning. Anchor Hocking has been the leader in promotional merchandise.

For the second half Corning will be making a stronger bid for the promotional end of this business with the introduction of three new microwave items in the Pyrex line. They're single-serving dishes in microwave packaging and offered with introductory prices allowing them to be promoted between $3.99 and $5.99.

We've had good customer interest in Anchor Hocking's recently introduced ovenware lineup in new packaging, particularly in the higher-priced group. We're not sure which of the merchandise we'll be stocking yet, but we'll be in it.

Obviously, Corning still dominates this category, and it has responded to the competition with some strong promotions for the second half. On Pyrex, Corning has broadened the promotional items available, and the discounts are deeper. The

(Continued on page 77)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BULK PLASTICS			
1	Dover 620 20-gal garb. can	13,332	8.79	117,188.28
2	Tucker 464 5-pc sink set large	1,917	3.70	7,092.90
3	Tucker 830 30-gal garb. can	455	12.04	5,478.20
4	Dover 910 10-gal garb. can	679	7.83	5,316.57
5	Sterilite 1568 vegetable bin	2,676	1.54	4,121.04
6	Tucker 820 20-gal garb. can	534	7.69	4,106.46
7	Fesco 4836 pleated bsk blue	2,076	1.86	3,861.36
8	Fesco 1080 oct laundry basket choc	1,092	3.48	3,800.16
9	Fesco 4836 pleated basket choc	2,016	1.86	3,749.76
10	Fesco 4443 hamper caramel	642	5.80	3,723.60
	SMALL PLASTICS/WRAPS			
1	Reynolds Wrap 083 25' alum foil	14,200	0.72	10,224.00
2	Reynolds Wrap 087 h.d. alum foil	7,401	1.30	9,621.30
3	Kordite 10123 quart freezer box	6,264	1.30	8,143.20
4	Kordite 10125 pint freezer box	5,820	1.30	7,566.00
5	Kordite 10124 1½-pint freezer box	5,676	1.30	7,378.80
6	Dow Chem 1226-C Handiwrap 250	3,475	1.61	5,594.75
7	Kordite 11803 quart freezer bag 40	3,888	0.83	3,227.04
8	Dow Chem 1334-2 Ziploc bag gl	1,650	1.59	2,623.50
9	Kordite 11806 1-gal bags 15	2,759	0.83	2,289.97
10	Dow Chem 1400-1 Ziploc bag quart	1,620	1.40	2,268.00

(Continued on page 77)

Wal-Mart scatters "Wedding Gifts" signs throughout the housewares area to remind customers about June brides. In the Rogers, Ark., store an endcap sign suggests giving glassware or flatware sets. *(DSN photo)*

Hummel figurines from Germany,
hard to find at any price,
now specially priced at Target
while supply lasts.

⊙TARGET

Target, Minneapolis, designed a unique promotion of collectible Hummel figurines from Germany. A recent ad devoted almost a full page to seven of the "specially priced group of genuine Hummels" being offered, but it noted they wouldn't all be available in all stores. The copy also mentioned the chain's jewelry buyer was able to make a special purchase of these high-ticket gifty items, which was "to good to pass up." But, supplies are limited. Price points range from $49.99 for the 5-in. "Merry Wanderer," to $88.99 for the 6¼-in. "Hear Ye, Hear Ye" and 5½-in. "Telling Her Secrets" models. All the figurines are being merchandised in the stores' jewelry departments.

Pour-Out

Carry-Sell-

Now Exxon Extra™ motor oil comes in three new carry-out packages that are so convenient, so "sellable," you might have trouble keeping them in stock.

New Side-Pour Funnel Quart:*

Offered only by Exxon, this oil container comes with a unique side-pour spout. Easy-to-pour, leak-proof, spill-proof. A package of benefits to bring customers back time after time.

New Roll-Out 12-Pack:**

Exxon's own exclusive design, this 12-Pack comes with a built-in side panel that dispenses one can at a time. It's convenient, easy-to-carry... and that makes it easy for you to sell 12 cans at once, increasing your overall profit.

New Carry-Out, Shrinkwrapped 12-Pack:***

Now it's extra-easy for your customers to carry out 12 cans of Exxon Extra. Our shrink-wrapped pack is easy-to-handle, easy-to-store and offers you extra high shelf visibility.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	RUBBERMAID			
1	8765 Ice tray display	9,072	1.37	12,428.64
2	8301 3-pc Serving set	1,371	5.92	8,116.32
3	2894 32-gal Garb can	454	16.74	7,599.96
4	2965 Laundry basket, choc	1,404	4.90	6,879.60
5	2965 Laundry basket, almond	1,317	4.90	6,453.30
6	2864 Swingtop basket, choc	816	7.13	5,818.08
7	1263/4 Round laundry basket	3,672	1.54	5,654.88
8	2965 Laundry basket, yellow	1,086	4.90	5,321.40
9	2965 Laundry basket, green	1,049	4.90	5,140.10
10	2850 Covered wastebasket	696	7.13	4,962.48
	CLOSET SHOP			
1	Lee Rowan 3x66 garment rack brown	1,258	12.42	15,624.36
2	Lee Rowan 1569/7 storage closet brown	630	24.75	15,592.50
3	Mabex 88 moth balls 1 lb	10,029	1.16	11,633.64
4	Lee Rowan 3150 overdoor rack	665	13.47	8,957.55
5	Lee Rowan 3x80 skirt hanger	2,880	2.24	6,451.20
6	Mabes 47 para nugget 2.5	1,428	3.70	5,283.60
7	Mabex 50-10 hanger blocks	4,434	1.12	4,966.08
8	Mabex 87 moth flakes 1 lb	3,936	1.16	4,565.76
9	Lee Rowan 3x19 skirt hanger	2,008	2.24	4,497.92
10	Mabex 46 para crystals 2.5	1,136	3.70	4,203.20

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLEANING			
1	Drackett 272 Plastic broom	4,584	5.36	24,570.24
2	Quickie 045 Sponge mop autom	3,136	5.66	17,749.76
3	Drackett 203 Auto roller mop	1,776	9.53	16,925.28
4	Supreme 1017 Corn broom zippy	4,770	3.38	16,122.60
5	Drackett 201 Sponge mop 676	1,428	7.15	10,210.20
6	Quickie 0442 Sponge mop refill	4,596	1.72	7,905.12
7	Quickie 065 Nylon dust mop	1,278	5.66	7,233.48
8	Drackett 214 Wet mop nylon	1,230	5.47	6,728.10
9	Drackett 216 Sponge mop	1,188	5.41	6,427.08
10	Quickie 057 Auto roller mop	916	6.58	6,027.28
	GADGETS			
1	Alum Hsewrs 1574 4-pk Paring knife	7,932	1.50	11,898.00
2	Swing-A-Way 407.1 Port opener asst	2,928	4.05	11,858.40
3	Rhodes Mark 29006 Maktime timer	1,596	6.75	10,773.00
4	Ekco 30760 Sm turner, nylon	4,031	1.53	6,167.43
5	Alum Hsewres 1554 Steak knives	3,367	1.80	6,060.60
6	Ekco 30400 Pan turner, nylon	3,622	1.53	5,541.66
7	Foley 253 Nylon turner	7,787	0.68	5,295.16
8	Ekco 08650 Can opener	3,276	1.38	4,520.88
9	Bromwell 119 4-Sided grater	2,400	1.38	3,312.00
10	Ekco 30480 baste spoon, nylon	2,098	1.53	3,209.94

(Continued on page 78)

PMA®

PRODUCT MOVEMENT AUDIT

Higher End

(Continued from page 76)

manufacturer has also added a co-op advertising program on the line for the first time.

We also expect to see Corning expanding into new categories in the near future. It's our understanding the company expects to do some testing on a cutlery introduction in the fall of 1983.

Anchor Hocking is a manufacturer we see as becoming much more aggressive in expanding into new merchandise categories. With more and more competition in glassware, the firm intends to increase its spread of housewares consumer products.

Contents of the Mix

For the second half Anchor Hocking has already shown its ovenware program. More recently, also for second-half selling, it has introduced lead crystal stemware with a 5% lead content—to compete with higher-priced lead crystal with a 24% lead content—plus a lineup of pierced tin/copper decorative holders for its bakeware group.

In the glassware category boxed sets are expected to stay at the head of the list of best-selling items. A strong item in the second half will be Anchor Hocking's 24-pc. Newport set in clear glass which can be promoted at $6.99-$7.99.

This 24-pc. set and others have been sharply priced by manufacturers to compete with the very inexpensive glassware still coming in from Mexico. Last year, only 18-pc. sets could be promoted at that low a retail price.

With such attractive pricing on boxed glassware sets, they continue to eat into the level of

(Continued on page 78)

-Out. **New Sales Strength:** We put more selling power in our packages by putting promotional support behind them: consumer magazine, local radio, newspaper and co-op advertising. Plus merchandising allowances, consumer rebate programs and point-of-sale support. Plus the extra advantage of a multi-million dollar "live tiger" TV campaign to help build brand awareness.

For more information, call your local Exxon Representative or Michelle Hearn: 1-800-231-6607. (In Texas, call 1-800-392-4576.) Or write Project Manager, Exxon Company, U.S.A., Room 2323C, P.O. Box 2180, Houston, Texas 77001.

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EXXON

Quality you can count on.

A matching convertible loveseat and bed chair along with three brass and glass furniture pieces were pictured in a recent four-color Zayre flyer. The end table was on sale for $27; the cocktail table for $33, and the etagere, regularly priced at $89.95, was $69. The loveseat and chair were available in brown with corduroy trim.

HOUSEWARES

Housewares presentation goes the high-tech, contemporary route at Service Merchandise's Pompano Beach, Fla., store with wire grid fixtures and overhead track lighting. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PANTRYWARE			
1	Cheinco 407 cann set old	936	9.18	8,592.48
2	Cheinco 408 bread box old	492	9.08	4,467.36
3	Cheinco 6681 cann set flowers	312	11.19	3,491.28
4	Cheinco 6691 bread box flowers	134	16.65	2,231.10
5	Cheinco 444 Nostalg cann set	167	9.09	1,518.03
6	Cheinco 454 cann set gourmet	156	9.18	1,432.08
7	Cheinco 6534 cann set strawberry	114	9.90	1,128.60
8	Cheinco 1060 wastebasket rainbow	348	3.08	1,071.84
9	Cheinco 954 wastebasket Garfield	312	3.26	1,017.12
10	Cheinco 6523 strawberry basket	262	3.57	935.34
	BATH SHOP			
1	Selfix C-441 shampoo spray	4,559	1.65	7,522.35
2	Counselor 410N-90 wicker scale	490	14.00	6,860.00
3	Rubbermaid 0450 bath mat, light blue	2,650	2.51	6,651.50
4	Rubbermaid 0450 bath mat, white	2,220	2.51	5,572.20
5	Rubbermaid 0450 bath mat, chocolate	2,160	2.51	5,421.60
6	Counselor 1021 86N-10 square scale, white	594	9.10	5,405.40
7	Counselor 86N-95 square scale, brown	544	9.10	4,950.40
8	Selfix 2208 tissue holder	4,091	1.19	4,868.29
9	Selfix 443 portable shower	564	7.70	4,342.80
10	Rubbermaid 0450 bath mat, almond	1,704	2.51	4,277.04

Source: Schreiber Company, hard goods distributor, Lititz, Pa., for Jan. 1 through May 23, 1983, covering 600 discount stores in 19 mid-Atlantic and East Coast states. Average retail prices reflect typical price points for discount chains.

PMA

PRODUCT MOVEMENT AUDIT

Higher End

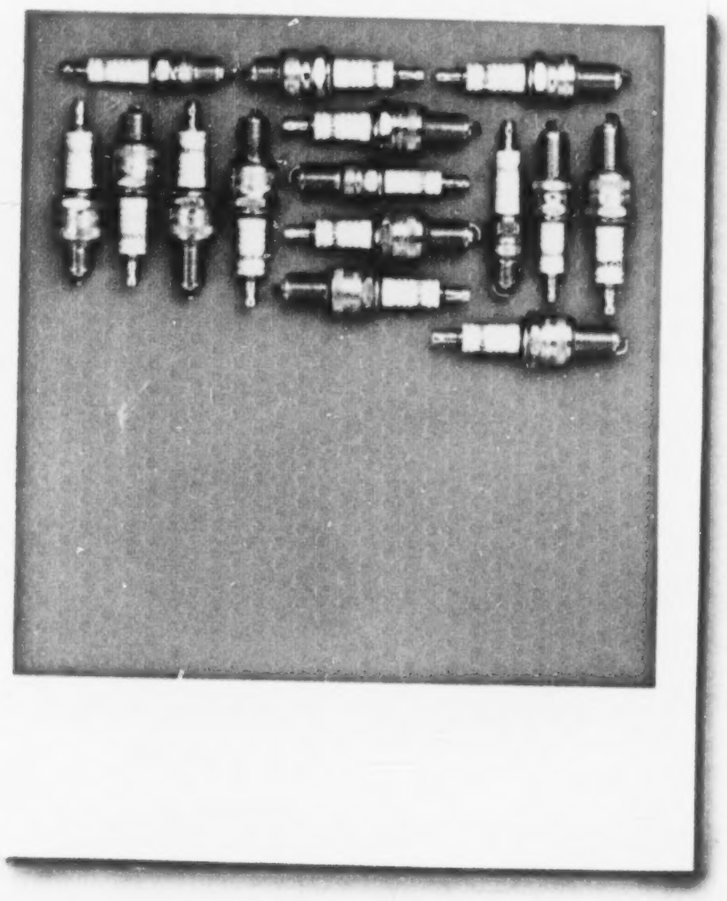
(Continued from page 77)

business traditionally done on 4-pack glassware. Our guesss is that just four to five years ago, only about 5% of the glassware business was in boxed sets. Now, that figure could be as high as 20%-25%, mostly at the expense of the 4-packs.

Pastel glassware, which has been good in some areas, really hasn't been important for our customers. Now that this look is maturing, we do expect to be carrying more of it.

In bakeware, the entire category appears to be moving up into the coated, nonstick merchandise since the introduction of SilverStone on the lighter weights. Ekco's Bakers Secret remains the basic line; our dominant SilverStone-coated line is Mirro. Chicago Metallic and Wear-Ever have also been strong. We have seen sales declines in lighter-weight, noncoated merchandise.

In chemicals we've seen particularly strong growth in pine-type cleaners. The reasons behind this are probably American Cyanamid's promotions of Pinesol, which has a big percentage of the business, and customers' perception of this type product as being of good quality and free of irritants.



Look what Champion has developed. Instant inventory reduction.

Both pictures provide equivalent coverage, but one picture – ours – is worth a lot of shelf space. Shelf space you could use more profitably.

Our new Performance-Guaranteed Champion spark plugs not only reduce your inventory, they also increase your customers' confidence. With a no-nonsense guarantee that reads, "If you don't think your engine runs better with fresh Champion spark plugs, we will give your money back." *

We offer this guarantee as a declaration of faith in the superb anti-fouling characteristics of Champion's 'Copper Plus' long nose design program. A design program engineered with consolidation and improved performance in mind.

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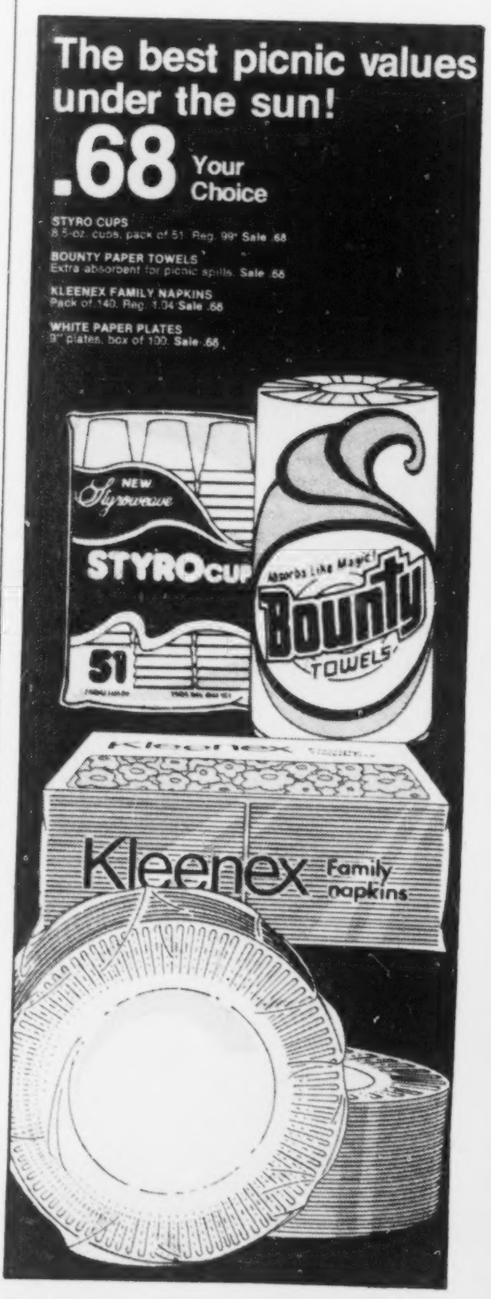


Richway featured a 68¢ "your choice" promotion on paper goods, positioning the four items as "the best picnic values under the sun!" Included in the ad were three name brand goods—Styro cups, Kleenex family napkins and Bounty paper towels. It also featured a package of 100 9-in. white paper plates.

HOUSEWARES

Du Pont Cookware Poll: Discounters No. 1

WILMINGTON, Del.—Du Pont's annual survey of the cookware market disclosed that in 1982 discounters were still ahead of the pack in every cookware segment—top-of-range, bakeware and portable electrics.

Drew Dutton, Du Pont's marketing manager for Teflon/SilverStone finishes, said the few percentage points gained or lost from year to year by the various types of retail outlets aren't the heart of the study.

"The importance of our survey," he said, "is the long-term trend revealed in the cookware market, including which retailers are holding market share by cookware type. For example, the study shows discounters dropped two percentage points in portable electrics in 1982. But, you have to allow for some variation in customer responses in the study. The crucial factor is that discounters are holding their lead in this category, and the department stores and catalogers are holding share.

Adding It Up

"There's been a lot of talk about department stores having problems in cookware. Our findings are that they're holding on to share, even though they continue to be a much bigger factor in the top-of-range business than in the bakeware or portable electrics businesses."

In top-of-range market share, discounters and department stores run fairly close together with 26% and 24%, respectively, in 1982. Catalog showrooms aren't strong in this area with only a 5% share.

The catalogers' share in portable electrics is significant, however. They have 15% of the market; department stores have 16%, and discounters, including K mart, lead with 34%.

While food stores aren't a major factor in the top-of-range or portable electrics market, the picture changes in the bakeware category. Here, food retailers are major players with a 16% share. This market share puts the food stores second to the discounters which have a 31% share. The department stores account for 14%. Catalogers have a small portion of the bakeware market with 3%.

Plans Aired

According to Dutton, the food retailers, having achieved a respectable chunk of the bakeware business, are now turning their attention to building the top-of-range category.

"We're already seeing the food stores becoming more aggressive in the top-of-range cookware in 1983," said Dutton, "and their share could go up significantly in future surveys."

The fastest growing cookware segment today, according to Du Pont, is the bakeware business, thanks primarily to increases in sales of glass and plastic ovenware used for microwave cooking.

"There's been expansion in the growth of metal bakeware with the addition of SilverStone to the lighter weights," he said, "but nonmetal bakeware is growing at an even faster rate."

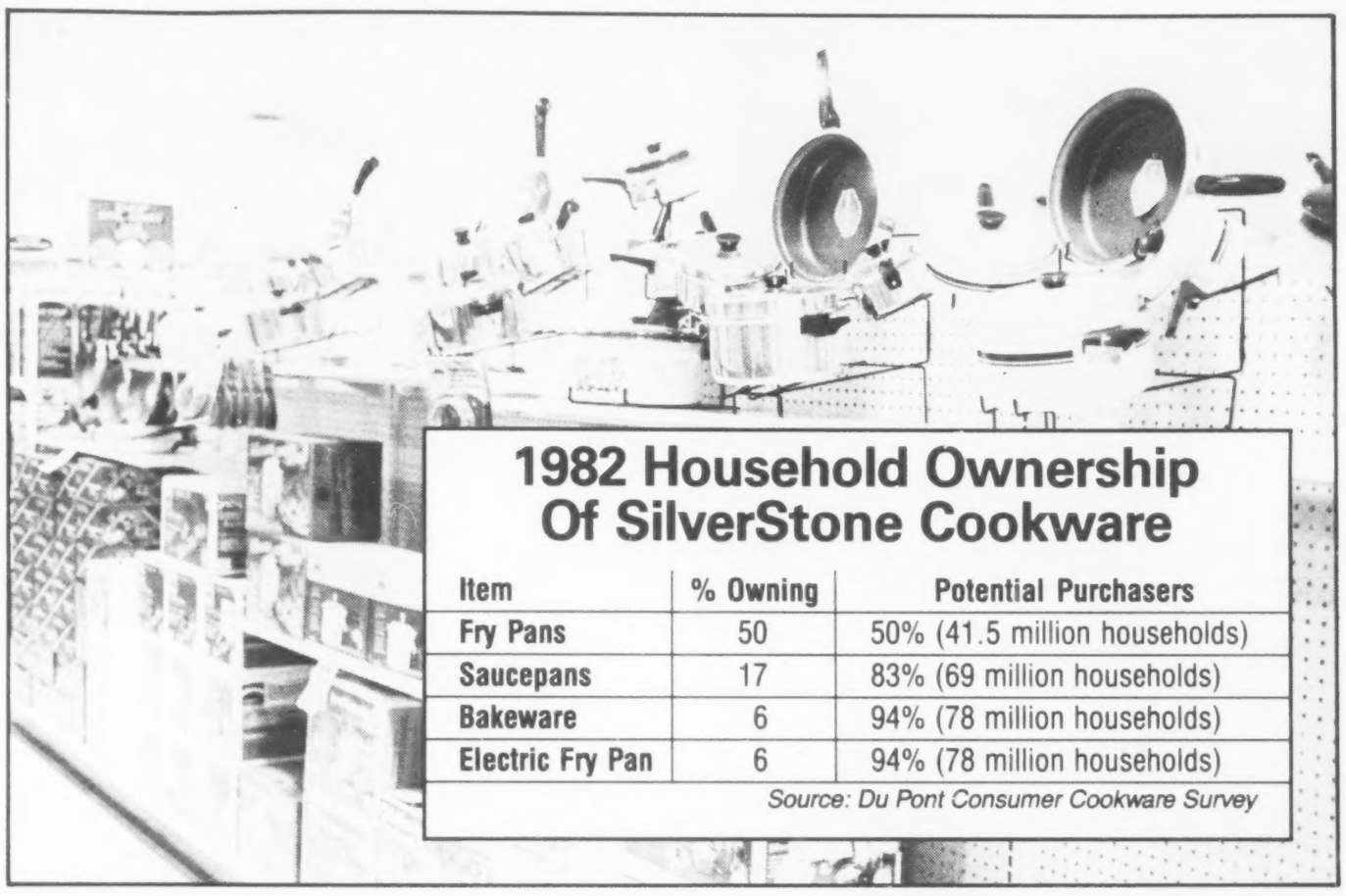
Asked whether Du Pont envisioned entries in SilverStone-coated glass or plastic ovenware—in addition to the recent Wear-Ever introduction in glass ovenware—Dutton said, "Glass is certainly a potential growth area for SilverStone,

(Continued on page 99)

Retail Distribution: % Share by Type of Cookware

Outlet	Top-of-Range 1980	1981	1982	Bakeware 1980	1981	1982	Portable Electrics 1980	1981	1982
Discount Stores	27	19	19	29	24	22	36	31	28
		26	26		32	31		36	34
K mart	—	7	7	—	8	9	—	5	6
Department Stores	21	21	24	15	13	14	13	15	16
Sears-Ward-Penney	10	12	11	6	9	9	9	9	10
Food Stores	8	8	7	16	15	16	2	2	1
Drug/Variety Stores	4	4	3	7	5	5	6	4	5
Catalog Showrooms	6	6	5	2	3	3	16	17	15
Home Centers/Hardware	5	6	5	7	7	6	7	5	6
Direct Mail	—	4	4	—	2	4	—	1	1
Gourmet/Specialty Ret.	—	3	4	—	3	4	—	1	2
All Others	19	12	11	18	12	8	12	12	10

Source: Du Pont Consumer Cookware Survey—1982 Year-end Analysis



1982 Household Ownership Of SilverStone Cookware

Item	% Owning	Potential Purchasers
Fry Pans	50	50% (41.5 million households)
Saucepans	17	83% (69 million households)
Bakeware	6	94% (78 million households)
Electric Fry Pan	6	94% (78 million households)

Source: Du Pont Consumer Cookware Survey

Giftware Gleams in Apparel Store

GRETNA, La.—The 23,000-sq.-ft. Marshalls which opened in Gretna, a New Orleans suburb, in mid-May, has a giftware department featuring glass-shelved gondola runs for all merchandise and white domed, high-tech, hanging light fixtures over the dinnerware wall.

Constructed in the off-price apparel chain's new prototype, it is in the rear right corner of the store.

Like all Marshalls giftware areas, this one is classification-intensive, offering customers a broad selection in a limited number of categories. The area is strong in copper and brass, glassware, silverplate and dinnerware.

Glass and crystal (l.) are allocated roughly a 20-ft. run; silverplate, 10 ft.; brass and copper, another 10 ft.

The back wall of the department features more than 20 ft. of space for dinnerware and flatware (r.). Among the manufacturers stocked in dinnerware are Mikasa, Wedgewood, Franciscan, Jepco and Sango.

Marshalls brings in the customers with such values as: Mikasa's Pink Poppy, 20-pc., $59.99, compare-at price, $160; Wedgewood's Strawberry pattern, 20-pc., $59.99, compare at $150; Jepco's Whipped Cream pattern, 20-pc., $39.99, compare at $80, and Sango's Apple Blossom, 45-pc., $59.99, compare at $130.

(DSN photos)

HOUSEWARES

Target, San Diego, promotes some of its microwave oven offerings in bulk on an endcap located in the traffic electrics department. *(DSN photo)*

Microwave Cross-merchandising Gains

(Continued from page 24)

its four sku's of ovens—divided equally between Sanyo and G.E.—on a triangular fixture located on the promotional aisle. Alongside of the ovens, cookware and accessories, such as corn poppers, are also displayed.

Waterson indicated that the formula has significantly increased volume for the category—so much so that it's being rolled out chainwide for T.G. & Y. stores.

"There's just such a tremendous opportunity in microwave ovens," he said, "and the other merchandise offers a very good tie-in."

Still, some chains have gone slowly with the category, apparently preferring to watch the early sales performance.

Although Heck's is currently undergoing a replanogramming, the microwave ovens will continue to be shown with other appliances, according to Averill Cook, buyer.

However, the new layout will bring the ovens somewhat closer to the rest of housewares, where the cookware and accessories are shown.

Additionally, some of the cookware has been brought over to the ovens for display.

At Rose's, the jury is still out while the ovens are being tested in about 10 stores, according to Barry Gouge, group mm, home furnishings area.

Early reports indicate that the ovens' movement has been excellent up to a high-price point of $350 in three sku's.

But, there are currently no plans for cross-merchandising.

"We have just moved them into the stores and pretty much just bulked them out in the promotional aisle," Gouge said. "We might try them later in the Kitchen Nook area, but it really isn't conducive to doing that—it's just too small."

Gouge said that the ovens and other microwave items have been moving but that it's a question of "whether or not we want to fuel the category at this point."

Du Pont

(Continued from page 70)

and we're actively investigating the possibility of the coating's application to plastic."

Du Pont's survey of 1982 household ownership of SilverStone-finished cookware indicated high penetration in the fry pan category but large growth potential in saucepans and bakeware.

With just 17% ownership in saucepans, Du Pont is turning a greater part of its SilverStone ad support behind this top-of-range segment. Dutton indicated he expected healthy gains in SilverStone saucepan sales this year due to the company's ad support and the continuing shift from set to open-stock cookware sales.

A recent addition to the SilverStone-finish lineup is the color black in top-of-range and portable electrics in addition to brown and gray. Dutton said the color was added for United States licensees to maintain worldwide consistency for the finish; the color has been available outside the United States.

Wear-Ever introduced the black finish at the San Francisco Gourmet Housewares Show at the end of May. Le Creuset, a division of Schiller & Asmus, which has been selling black in Europe, recently started shipping it to stores in the United States.

NHMA

(Continued from page 23)

1984 new product entries.

The "knockoff situation" prompted buyers to speculate several manufacturers might have spring 1984 merchandise ready to show in July, but in hotel showrooms set up outside of McCormick Place.

The consensus was that buyers were waiting to see how manufacturers would handle the July show in terms of 1984 product introductions. Buyers do know they're going to work the July show harder than last year because they're going to have to wait another nine months before they can scour the industry for new resources and before they have another chance at all that politicking—all under one roof.

In the meantime, the housewares industry is making adjustments around the future NHMA show schedule which is:

1984: April 8-12; Oct. 9-12
1985: March 24-28; Nov. 3-7
1986: April 6-10; Nov. 9-13
1987: April 5-9; Nov. 1-5
1988: March 27-31; Oct. 30-Nov. 3
1989: April 9-13; Oct. 29-Nov. 2

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Focus on Fishing—Pp. 23-28

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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100 K marts to Unveil Permanent, Leased Portrait Photo Studios

TROY, Mich.—K mart will have portrait photography studios in 100 units by year's end, marking a switch from the itinerant program used in the past.

Leased departments averaging 300 sq. ft. are currently opening in K marts throughout the country at a rate of two to three per week, according to a chain spokesman.

The rollout comes two years after the chain started testing portrait studios as a permanent setup in two stores—one in Chicago and one in Realto, Calif. The success of the concept in those two units prompted K mart to set up evenly spread market distribution of the studios by year's end.

Sources say these 100 studios will serve as a jumping off point for determining how many will be profitable within each market. The current expansion plan includes additional studios in the two original test markets.

The sales potential of in-store portrait studios was estimated at $300 per square foot by a spokesman for the K mart lessee, PCA International. A 300-sq.-ft. studio could generate $90,000,000 in the first year.

At K mart, management acknowledged, "We expect good profits and strong sales from the program." Two main reasons were cited as to why permanent studios are proving more viable than itinerant programs used by most discount chains: although limited-duration itinerant studios attract crowds of customers, many don't have the time to wait for their turn in front of the camera. Thus, many potential customers walk away. Also, families don't want to dress-up and pose for portraits in front of other shoppers. Again, potential sales are lost. Permanent studios offer customers a more relaxed, more private atmosphere.

They also garner the same average sales per customer as the traveling studios, said Henry Mummau, vp of national ac-

(Continued on page 51)

NMRI, AGMC Merger Is Off

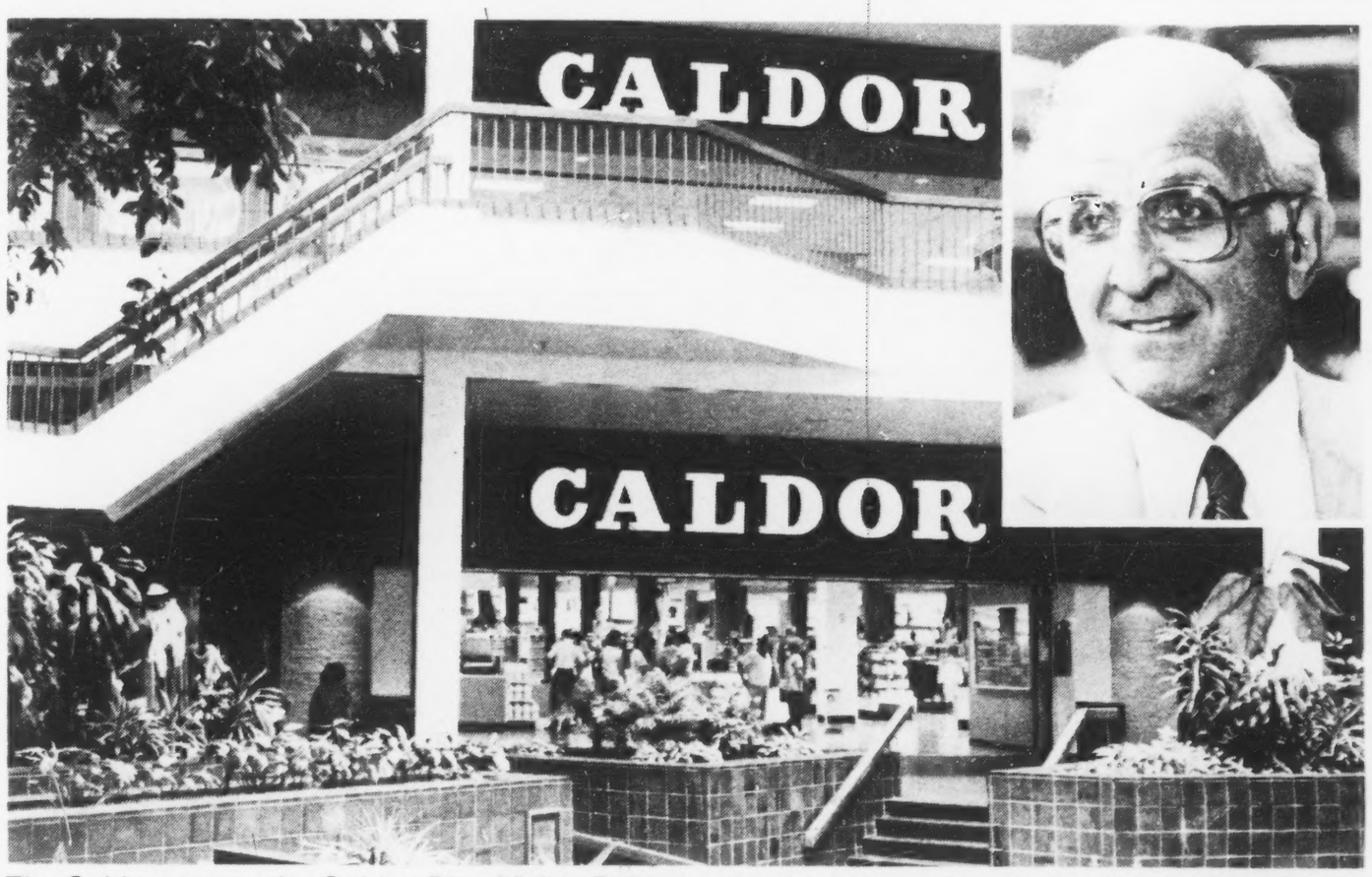
NEW YORK—The merger discussions between the National Mass Retailing Institute (NMRI) and the Association of General Merchandise Chains (AGMC) have been called to a halt.

In a joint statement, the chairman of the associations' merger committees—Robert J. Levin, senior vp at Stop & Shop representing the NMRI, and Philip W. Rogers, vp at G. C. Murphy for the AGMC—said "their respective boards of directors have agreed to discontinue further merger discussions at this time."

According to Levin, the two three-man merger committees agreed not to recommend the merger and their boards concurred.

Levin characterized the merger discussions—which began last summer—as "preliminary examinations to the possibility of a merger."

"We saw no benefit to a merger for either association. These are two successful trade associations that will simply continue to act independently," he said.



The Caldor store at the Golden Ring Mall in Baltimore has four entrances, which add to its department store look. Two of the entrances are directly off the center of the mall in a high traffic area. Inset: Caldor chairman Carl Bennett. *(DSN photos)*

Caldor Deepens Its Commitment To Branded Apparel Assortments

Special DSN Report

Caldor's stepped-up expansion program—including entries into new markets in Baltimore and Long Island, N.Y.—has brought further evidence of the fine tuning of its merchandise assortments and presentation.

A major focus is the continuing push in upscale apparel, which forms an integral part of the chain's struggle to force soft lines significantly above the 30% sales volume mark.

So far that goal has been elusive, company officials admit. But instead of making a radical course correction in those categories, Caldor has made a deeper commitment in the direction of branded and private label apparel.

The extent of that commitment was plainly apparent at the new stores in Lake Ronkonkoma, N.Y., and at the Golden Ring Mall in Baltimore.

Golden Ring, along with some of the other stores opening this year, has placed Caldor in an uncharacteristic environment—an enclosed mall.

The chain joined The Hecht Co. and Montgomery Ward as one of three anchors in the shopping center. Caldor's 110,000 sq. ft. of selling space is split over two floors containing four entrances.

The look and feel, in some cases, has surpassed that of upscale discounter and approaches that of a more conventional department store.

Yet the store is clearly a Caldor in merchandise and basic presentation, with most of the changes in those areas taking place chainwide.

Two of those changes have come with the further development of the junior and petite departments.

"The junior business has just exploded since our breakout of

(Continued on page 4)

DSN Digest

July 25, 1983

APPAREL

• **The Children's Place will** now be overseen by Norman Matthews, executive vp of Federated Department Stores. (p. 34)

CATALOG SHOWROOM NEWS

• **Consumers Distributing** (U.S.) plans to open units in Albany and Kingston, N.Y. (p. 32)

H&BA

• **Face care products are expected** to glow in the second half. (p. 14)

SPORTING GOODS

• **It's clear sailing for the canoe** and boating accessories business. (pp. 23-28)

TOYS

• **Licenses, low-end items are** expected to make Christmas merry. (p. 38)

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It's No Fish Story: The Emphasis Is On Combo Sets

Nationwide DSN Report

Discounters are reshuffling their fishing and tackle assortments, sticking with low- and medium-priced goods and jettisoning higher-end items.

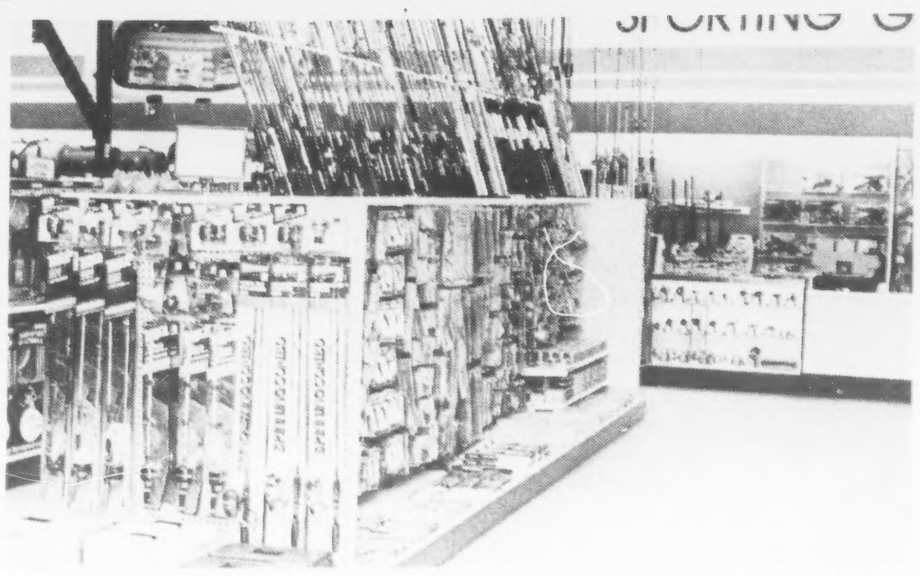
While experiencing strong sales with inexpensive combo sets, which include a rod, reel and possibly an accessory or two, chains are trimming their assortments of rods and reels that retail for over $100.

For several years discounters have been adding higher-end goods in an effort to attract the fishing enthusiast by discount prices. But as the specialty store and fishing and boating cataloger business has grown, discounters say they have lost this segment of the market and will instead direct their merchandising toward the occasional fisherman.

Another factor, influencing the trimming of sku's in rods and reels is the considerable amount of showcase and gondola space needed to carry wide assortments. Buyers say they can't justify the space for the higher-end goods to only bring in margins of about 20%.

Instead, discounters are focusing their attention on the combination sets, which carry low-end retail tags and have 30% margins. The sets are also easier to display since they're prepackaged and can go directly from shipping carton to the selling floor.

(Continued on page 28)



Upscaler Caldor is holding on to both sides of the rod and reel business. Lower-end combination rod and reel kits are pegged on an endcap display. High-end separate rods and reels are displayed on glass shelves. *(DSN photo)*

Harold Frank
chairman and ceo

Harry Kohn Jr.
president

Bradlees' Revamped Top-Level Positions Go to Frank and Kohn

BRAINTREE, Mass.—Stop & Shop has made two top management changes at Bradlees, including the appointment of Harold Frank to the newly created position of chairman and chief executive officer.

In addition, Harry Kohn Jr., formerly executive vice president, has been named president of the $872 million discount store chain.

The new Bradlees top slot setup, which adds the position of chairman, has been patterned after the team model concept common among conventional department stores. The tandem team—chairman and president—is particularly prevalent among Federated Department Stores; Frank and Kohn are both Federated alumni, having been with its Abraham & Straus division.

Bradlees' announcement of these management changes state the team concept "will be particularly helpful to Bradlees during this period of accelerated growth."

"These changes position Bradlees to have the added management attention that our current expansion into two new markets—Baltimore and Washington—demands," said Kohn, who is responsible

(Continued on page 54)

DSN Study Reveals Discounters' Growth Is in Branded Soft Goods

NEW YORK—Discount stores that are seeking to move upscale with branded merchandise programs—most significantly in apparel—have the potential to take a 50% market share, according to a nationwide consumer study by *Discount Store News*.

Off-price specialty retail chains, which have already made important strides in that direction, have grown at a much faster pace than the discount department stores, the survey reported.

However, the major competition for all discounters will be with the conventional department and specialty stores, rather than with each other, the poll found.

The study examined growth opportunities for discounters and found that industry expansion will depend on how quickly and effectively the chains will be able to gain control of known brands, particularly in soft goods.

The survey examined 24 categories of merchandise. In it, 1,120 households were interviewed by Leo J. Shapiro and Associates of Chicago in March and April of this year. The results were first presented by *DSN* publisher Fred Filer in May during the National Mass Retailing Institute's convention in New Orleans.

According to Filer, at least three follow-up surveys will be released in September, January and May.

"*Discount Store News* is committed to ongoing consumer attitude studies to reflect important changes in the marketplace," Filer said. "Their sole purpose will be to aid the chains with strategic planning for the future to help them to remain healthy and competitive."

Filer stressed that the emphasis in the studies will be on growth opportunities. The later studies will attempt to more narrowly define the prime merchandise for discount expansion.

In 21 of the 24 merchandise lines identified in the current study, 40%-60% of the consumers interviewed indicated that they either already shop for the item at a discount store or are aware they can obtain the same item for less at a discount store.

The survey found a high growth potential in 11 categories—all soft lines. Apparel items accounted for 10 of the 11 and included such products as sweaters (38% growth opportunity); blouses (37%); slacks (35%) and jeans (47%).

Bath towels accounted for the single nonapparel item included, with a 32% growth opportunity.

Discounters expanding these lines would face primary com-

(Continued on page 12)

Formal Programs Devised:

Bigger-$ Goods Get New Front-End Play

Special DSN Report

Discounters are stocking more than gum and batteries next to their checkout registers these days.

Buyers' selections for what merchandisers have labeled "the best location in the stores" now include $14 telephones, calculators and LED watches that retail for under $10, and soft goods like multipacks of sports socks and washcloths.

The objective is to stock a balance of items priced low enough to spark impulse sales but also offering retailers high margins of 40% plus. Another requisite is that the items have a high demand and broad consumer appeal to insure annual turns of seven or eight.

The constantly expanding assortment of fast sellers stocked on the displays seen by almost all customers as they leave the store is a result of chainwide formalized programs aimed at getting the highest returns on this prime space.

Chain programs usually combine the use of distributors, buyer committees and a head merchandiser who develops planograms for each checkout register in the stores.

Just this year the Green Bay, Wis.-based Prange Way chain appointed a director of merchandising to head a checkout program, and he is currently laying down the criteria for deciding which items to merchandise at the checkouts.

Others, such as Henderson, N.C.-based Rose's, have had one person oversee the sections for over five years and are now testing high-turn items like cigarettes and candy bars and revamping display racks to maximize returns.

At Rose's, individual buyers are invited to submit suggestions of items for the checkout tips. A committee of buyers meets twice a year to decide on the basic items, and quarterly to agree on the monthly endcap features.

"We try to keep the margins in the high 40's and the selling price under $2," explained Doug Wassum, the buyer who oversees the program at Rose's. "If you exceed that $2 price point you'd better know what you're doing. If a shopper has to stop and consider price, you've lost the sale."

The right time to exceed the price lid, according to Wassum,

(Continued on page 44)

Situation Is in Flux:

Questioning Potential Carlson Control, 14 Creative Members to Go to Schultz

MINNEAPOLIS—A combination of business and personal factors unique to the catalog showroom industry was behind the surprise decision by 14 Creative Merchandising members recently to switch to coordinator Paul Schultz Catalogs rather than remain with Creative under its proposed new owner, Carlson Companies.

The move raised questions about Creative's planned divestment by its current owner, Best Products, to Carlson due to take effect in October, and about Creative's continued existence.

The situation is in a state of flux. Best executive vice president Joel Koblentz said Creative was making a major effort to retain its members and "we think there is a reasonable possibility" of holding a number of them.

Schultz vice president Steve Schultz said, "nothing is in flux here; everything is very positive, and we're working on producing a catalog just for these chains."

A Carlson spokesman said the company had no comment on the decision by 14 of Creative's 15 catalogers. He asserted that Carlson only had an agreement to purchase Creative from Best and was now "studying the situation."

Koblentz said, "Best has a firm agreement with Carlson. We are confident Carlson will live up to the terms" and creative will be transferred to Carlson Oct. 3. He declined to discuss provisions of the contract.

Questions about Carlson's long-range commitment to the showroom industry and a lack of leadership at the "new" Creative were cited as the reasons for their decision by executives with five major former Creative members.

They specifically noted that Harold Roitenberg, who founded Creative 25 years ago and is considered one of the fathers of

(Continued on page 54)

NMRI May Change Its Stand on Amended Bill

NEW YORK—The National Mass Retailing Institute is actively negotiating with key supporters of pending Federal trademark counterfeiting legislation to soften the impact of the bill on discounters.

At presstime a series of proposed amendments to the controversial "anticounterfeiting" measure were under review by the association's Government relations committee, and if the panel approves those compromises the NMRI may endorse the legislation, Government Affairs director Kevin Schein told *Discount Store News*.

Such a move would mark an abrupt about-face for the NMRI which, until recently, had been sharply critical of the proposed anticounterfeiting scheme.

Late last year in testimony before the Senate Judiciary Committee, NMRI Washington lobbyist Endicott Peabody urged Congress to vote down the proposal, warning that some manufacturers would abuse the law by filing "trumped-up" charges of "counterfeiting" against discounters in order to enforce illegal resale price maintenance schemes.

The bill, sponsored by Senate trademark subcommittee chairman Charles Mathias (R-Md.), establishes harsh new Federal criminal penalties for discount chains and other retailers charged with "trafficking" in counterfeit merchandise.

The most controversial section of the measure, however, would grant manufacturers of brand-name products sweeping new legal powers to conduct no-warning searches of retail stores and warehouses suspected of containing counterfeit goods.

Although these search and seizure raids would have to be authorized in advance by a Federal court, retailers accused of distributing bogus merchandise would not be given any notice or opportunity to participate in these "*ex parte*" court proceedings.

Since "the bill has no explicit provisions that punish false applications for warrants to search so-called counterfeiters," NMRI "fears that the seizure provisions of this bill will allow manufacturers to police price discounters," Peabody told Congress last September.

After Mathias' 1982 measure

(Continued on page 54)

At Ames, Westfield, Mass., wire baskets are used to sell an assortment of hard goods from inexpensive rolls of tape and tissue pocket packs to film-with-processing for $6.99. The baskets are stocked according to a chainwide planogram. *(DSN photo)*

Discount Industry Expansion Depends on How

(Continued from page 3)

petition from department and specialty stores, with the chance to push the conventional retailers into narrower merchandise assortments, according to the poll.

The study also found 11 categories of relatively mature discounting merchandise—items where discount and off-price stores have already achieved significant market penetration. Included in these were toys, electric coffeemakers and barbecue grills.

Because the growth potential is more limited in these areas, discounters would be positioned in a more defensive posture, attempting to retain their market share against incursions by general merchandisers Sears and Montgomery Ward. J. C. Penney would represent less of a threat to these categories since that chain's realignment with a soft goods focus.

Expansion Limited

In the two remaining categories of the 24 examined, the prospects for discounting appeared low. Discounters have achieved an 18% market share for window blinds with only a 12% opportunity for growth; in electric drills a 14% penetration has been achieved with a 17% growth opportunity.

Overall 83% of American households said they currently shop at discount department stores compared to 40% for off-price clothing stores, 20% for factory outlets and 20% for catalog showrooms, the survey reported.

However, in several categories the off-pricers have been moving toward dominance. One of these has been toys, where the specialty discounters have attracted a 25% share of the market.

Different Emphasis

Compared with discount department store customers, those shopping the off-price stores are slightly more affluent and upwardly mobile, a little younger and much more concerned about the prospects for their future financial security.

However, the survey found that discount department store customers are not substituting the off-price specialty stores for the full-line chains, but are expanding their discount buying.

That result appears to be in keeping with a major force driving consumers to discount stores—the perception held by 66% of all households that they are faced with managing a declining standard of living. So serious is that notion that 44% of the households interviewed actually reported cutting back on their standard of living.

While this percentage represents an improvement in consumer confidence, the report termed its negative impact "significant."

The study also reported, though, that consumers have become much more quality-conscious, with a surge toward

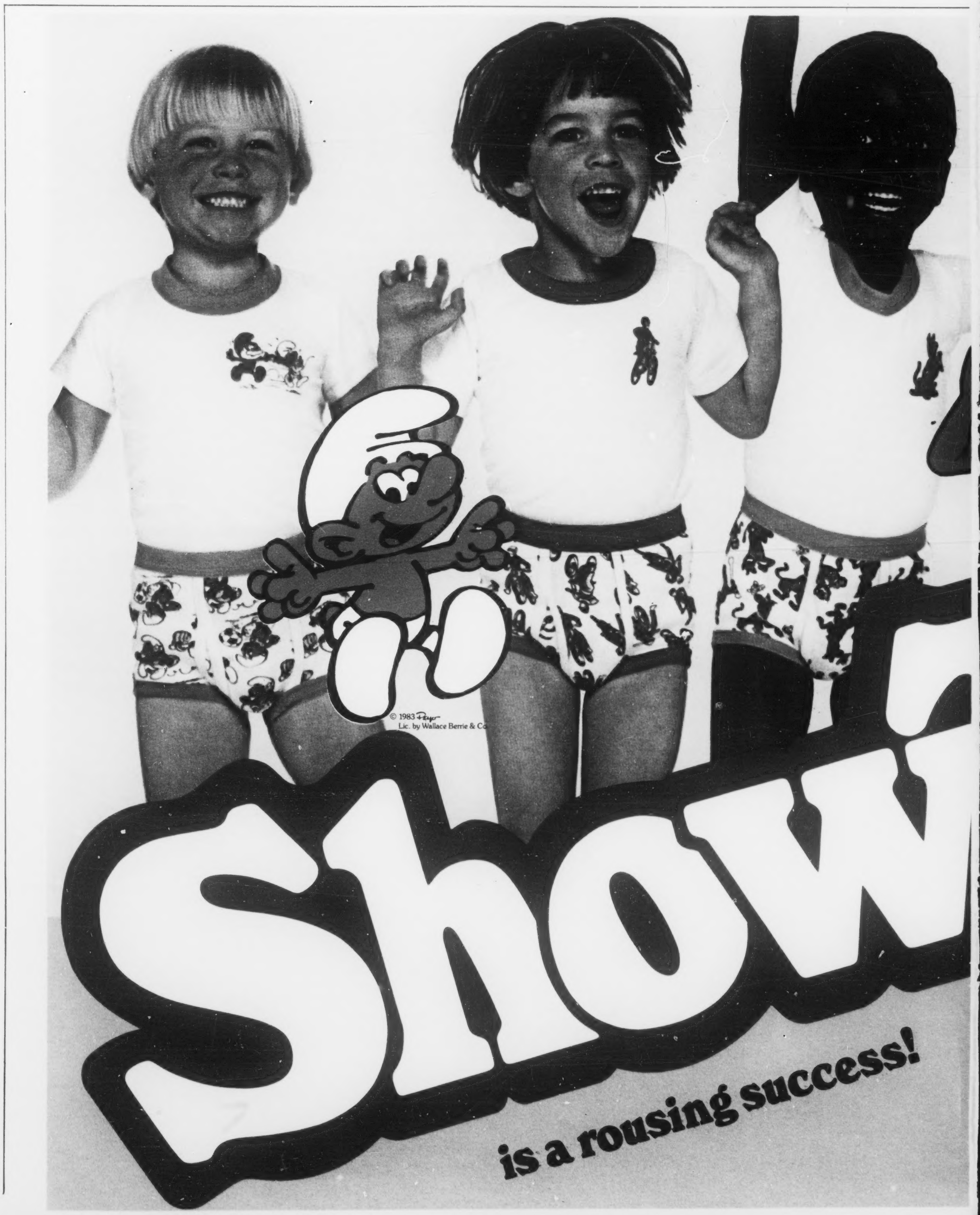
(Continued on page 13)

Penetration of Off-Pricers

	Total	% of Consumers Who Expect to Go to a Discounter Discounter Is Off-Price Store	Off-Pricer's Share of all Discount Customers
Toys	58%	25%	43%
Video cassette recorder	34	14	41
Athletic shoes	23	9	39
Men's dress shirt	16	5	31
Blouse	22	5	23
Jeans	18	4	22
Blazer/jacket	16	4	25
Bath towels	27	3	11
Children's overalls	27	3	11
Infant's sleeper	27	2	7
Sweater	20	2	10
Slacks	15	2	13
Men's suit	5	2	40
Dress	14	2	14
Bra	15	2	13
Nightgown	21	2	9
Electric blanket	30	1	3
Electric coffeemaker	46	1	2
Set/pots and pans	30	1	3
Luggage	28	1	4
Electric drill	14	1	7
Watch	30	1	3
Barbecue grill	40	—	1
Window blinds	18	—	—

Source: Discount Store News' *national consumer study conducted by Leo J. Shapiro and Associates.*

Discount Store News publisher Fred Filer, left, makes a point during NMRI presentation of the national consumer survey. At right is George Rosenbaum of Leo J. Shapiro and Associates, which conducted the poll. *(DSN photo)*



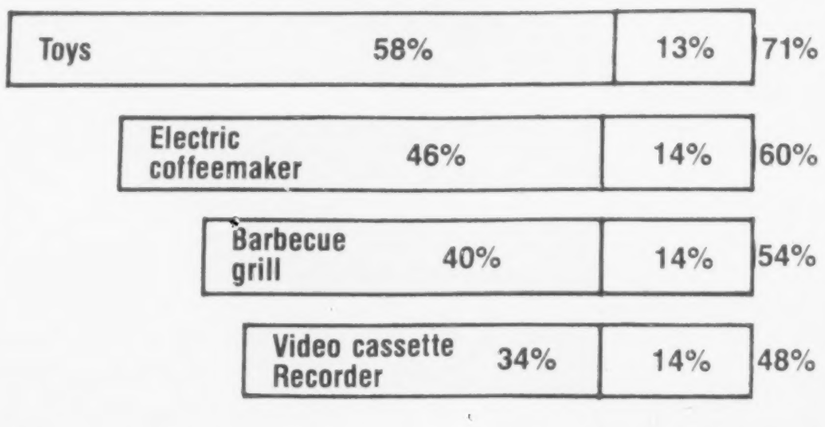
Athletes' Funds Raised by Hills

CANTON, Mass.—Hills raised $102,903 to sponsor 1,030 athletes during this year's Special Olympics.

Employees organized fund-raising events that ranged from bake sales and basketball games to rock-a-thons. In addition, the company contributed money it received for winning a Procter and Gamble photo display contest.

Quickly Chains Gain Control of Branded Goods

Mature Discounting Merchandise
Selected Items



Others:

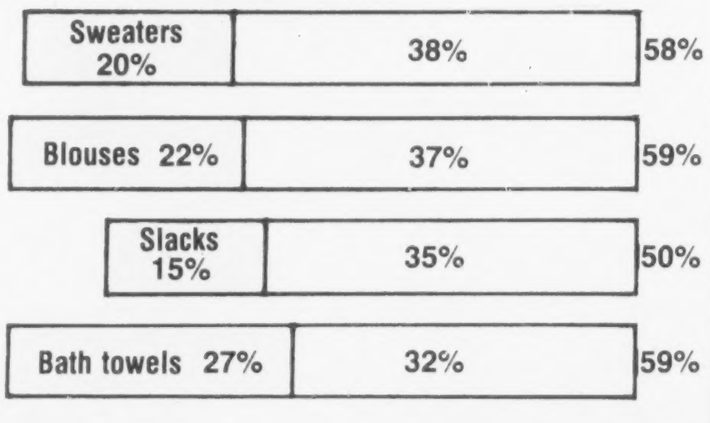
Cookware 30% + 21% = 51%
Watches 30% + 22% = 52%
Electric blankets 30% + 25% = 55%
Luggage 28% + 19% = 47%
Infants' sleepers 27% + 17% = 44%
Children's overalls 27% + 24% = 51%
Athletic shoes 23% + 22% = 45%

☐ Going to discount store.

☐ Know of a discounter who may have what I want.

Source: Discount Store News' *national consumer study conducted by Leo J. Shapiro and Associates.*

High Growth Potential Merchandise
Selected Items



Others:

Men's suits 5% + 36% = 41%
Dresses 14% + 34% = 48%
Nightgowns 21% + 31% = 52%
Jeans 18% + 29% = 47%
Blazers 16% + 28% = 44%
Bras 15% + 27% = 42%
Dress shirts 16% + 25% = 41%

☐ Going to discount store.

☐ Know of a discounter who may have what I want.

Source: Discount Store News' *national consumer study, conducted by Leo J. Shapiro and Associates.*

(Continued from page 12)

brands and product performance.

"Both the conservation of funds and the conservation of quality are involved in the consumer effort to manage a declining standard of living," the report stated.

The survey also found that when consumers know the brand of merchandise they want, they're more likely to shop for it in a discount/off-price store. That result was most apparent in apparel lines.

Of the households interviewed, 45% reported that they already knew the brand or label they wanted on items of clothing.

Among that group 24% said they would definitely go to a discounter and 48% said they might go to a discounter for the item. Only 28% said they would definitely not shop at a discount store for that piece of merchandise.

Of the 55% who did not know the brand they wanted, 40% said they would definitely not go to a discount store.

Consumers identified four key advantages of buying a major apparel item from a discounter: low prices (34%); good selection and variety (28%); brands and designer names (11%), and quality merchandise (11%).

According to the study, the figures indicate that conventional department stores and specialty stores may have to increasingly develop their own labels and designers as discounters gain control of branded merchandise.

"For those consumers who are attracted by the advertised clothing brands the discounter becomes increasingly hard to resist as he makes those brands available," the report added.

Overall, discount retailers are contenders for nearly one out of two customers for many lines of hard and soft merchandise, the report concluded.

"This ratio represents a possible opportunity given present consumer recognition of discounters as a credible alternative for what they want to buy.

"Whether this goal can be achieved—indeed, even if present penetration is held—will be a function of the competition that develops between discounters and conventional retailers for each line of merchandise."

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Thousands of stores already have. And they're reaping the rewards in extra volume and profit. Why? Because ShowToons® underwear is a revolutionary new concept. We took Hanes quality boys' briefs and T's and made them fun. With exciting cartoon characters like Mickey Mouse and Donald Duck! Scooby-Doo and Fred Flintstone! And the phenomenally popular Smurfs™! Boys love ShowToons. So will you. We're so confident, we guarantee the sale.
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Burger Kings Due In Woolworth Units

NEW YORK—F. W. Woolworth Co. and Burger King have signed an agreement to convert a number of the variety chain's food-service units in the United States to Burger King restaurants.

The first two restaurants will be converted in the New York City area by fall. A total of 48 more will be in place within the next five years.

"This action is an extension of our stategy to maximize utilization of our space and will certainly increase customer traffic in Woolworth stores," said Jack Parker, president of Woolworth's U.S. general merchandise group.

J. Jeffrey Campbell, Burger King president for worldwide operations, said: "We see the Woolworth agreement as a major victory in our quest for top urban restaurant sites. Many of the sites being considered for conversion are in very busy locations we wouldn't be able to get any other way."

PHOTO

The Outlook For Christmas:

Discounters Focus on Rangefinders and 110's

Nationwide DSN Report

Sluggish sales at camera counters—possibly because of the CE boom—have many buyers conservatively placing their chips on 110mm and 35mm rangefinder cameras for the Christmas selling season.

The merchants claim that the growth and excitement in consumer electronics has attracted much of the disposable income of consumers.

Additionally, many say the poorer-than-expected performance of disc cameras has neutralized the ability of photo departments to compete effectively with CE.

As a result, buyers have opted for the 110's as a reliable low-end standby, while also moving toward the rangefinders for higher-end point-and-shoot customers.

Little Chance Seen

"The camera business is not that great right now," said Don Durbin, dmm, Pamida. "We're not thinking that the camera business is going to be overwhelming because no one's got anything new coming out."

In an effort to boost those sales the chain has installed a 4-ft. long gondola run of blister-packed cameras—mostly in the 110 and disc categories. The 35mm's have stayed securely under glass.

"Our biggest problem is that we've got to put them in the showcase," Durbin said, "and then we've got to have someone there to sell them."

The sales-service aspect of the 35mm cameras has posed disturbing questions for many buyers, although they seem to have been at least partially overcome by the automatic features of many of the rangefinders.

"I think the entire [35mm] category will eventually become a self-service category," said Joe Zotter, buyer for Ames.

Ames is expanding into the 35mm rangefinder market for the first time this fall following a successful test of a low-end SLR earlier this year, Zotter said.

The Ames program will involve Cannon's Snappy and the Keystone low-end auto-focus rangefinder initially.

Strengths Examined

He added that the rangefinders carry the additional potential of "wiping out" the disc cameras priced in the upper ranges, since the 35's carry substantially the same features with significantly better results.

That threat has opened the door for some growth in the discs at lower prices, Zotter said.

"I think the other companies [besides Kodak] that are coming out with them on the low-end will spur disc sales again—perhaps by this Christmas," he added.

Ames, too, is looking with interest toward the blister-packs of 110 and disc cameras for the second half with the hope that they may generate some excitement in the otherwise lackluster marketplace.

The 110mm cameras have already taken a step in that direction for Starlette Stores, which also operates the leased camera departments for Lane Discount Stores and most Gaylords.

Buyer Mark Cotterman said that the suddenly dropping prices of the 110's following the introduction of the disc have made them his best seller.

Starlette carries four sku's of the pocket cameras from Continental and Condor, priced from $13.99 to $23.99 everyday.

"The key to their continued success is that the 110's never left the market flow," Cotterman said. "They just continued to compete at lower prices."

Cotterman said that he has also "reluctantly" brought in four sku's of rangefinders from Cannon, Mamiya and Bell & Howell, priced from $99.99 to $149.99 everyday.

His reluctance was not based so much on questions about their movement or required sales-service as it was on their low margins.

Some buyers have pegged the rangefinders at a 5%-8% gross margin.

As a result, said the buyer for one large Midwestern chain, "You really have to hit the add-on sales hard."

Caldor is one chain that has already made that investment—not only in inventory, but in the service aspects of its photo department.

The chain carries a full line of rangefinder and SLR cameras in addition to the more standard fare offered by disc, instant and 110 cameras.

There are 34 sku's of 35mm cameras from 10 manufacturers. The offerings range from a Keystone Everflash 35, priced at $39.99 everyday before rebate, to a Nikon FG, "specially" priced at $257 before rebate, to a Canon Al, priced everyday at $319.87, on sale for $278.

Rose's has opted to stay out of the 35mm business completely, citing the service requirements for sell-through.

Buyer Bob Flowers, who pointed to a "stagnant" camera market, nevertheless has been surprised by the movement in 110's.

Rose's currently handles four sku's of 110 cameras priced from $14.97 to $32.97 everyday. The disc cameras, which start with the Kodak 3000, begin at about $40.

"The number of 110's that we've been selling has been incredible," Flowers said. "It's as if that customer has said, 'I've had enough of this other stuff, I'm going back to basics.' "

Direct Japanese Unit Shipments to the U.S.

	35mm SLR's			35mm Non-SLR's		
	1981-82	1982-83	% Change	1981-82	1982-83	% Change
Dec.	190,213	183,258	– 3.66	103,573	98,980	– 4.40
Jan.	188,685	137,552	–27.10	59,192	84,586	42.90
Feb.	120,738	191,249	58.40	59,378	120,596	103.10
Mar.	254,358	197,379	–22.40	72,582	141,318	94.70
Apr.	186,546	145,693	–21.90	73,617	145,026	97.00

Note: Figures are not seasonally adjusted. Source: Photo Marketing Association from Japan Camera Industries Association.

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Canon Quality and Simplicity. At the Right Price!

The new Canon Snappy is destined to become the world's best selling 35! Designed expressly for the American snapshot market, Snappy will be heavily advertised on network TV and in national magazines, tied in to a wide assortment of point-of-sale material available for your stores. Snappy cameras bring 35mm quality within the reach of millions of additional customers and provide a new profit-making opportunity for you.

Canon Snappy cameras are totally automatic, with motorized loading, film winding and rewinding, automatic exposure control and built-in electronic flash! The Snappy 20 comes in five terrific colors and features a focus-free Canon f4.5 lens. The deluxe Snappy 50 comes in charcoal gray and features two-zone autofocus with a Canon f3.5 lens. Launched with the same total marketing effort that made the Canon AE-1 the world's most popular SLR, Snappy will revolutionize the 35mm market. Again.

It's my Style!

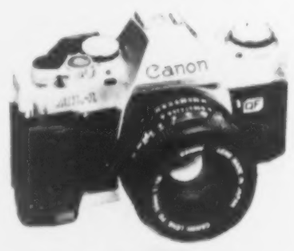
The Canon line has become the cornerstone on which all 35mm retail sales are built. The strongest advertising, a broad range of products and a name people trust add up to business you can count on everyday.

Canon A-1

The Canon A-1 is the most advanced of our "A" Series SLR cameras, featuring six exposure control modes to suit any picture-taking situation. The Canon AE-1 PROGRAM, seen in the hands of sports celebrities like John Newcombe, Tracy Austin and Willie Randolph, is a best seller, with *programmed automation* for focus-and-shoot convenience and shutter-priority

Canon AE-1 PROGRAM

automation for creative control. The new AL-1 has QUICK-FOCUS–an electronic focusing system that makes it easy for



Canon AL-1 QUICK-FOCUS

anyone to get sharp pictures every time. The world-famous Canon AE-1 is so advanced, it's simple, and is the most accepted 35mm SLR in history. Finally,

Canon AE-1

there's the AV-1, the most economical automatic Canon SLR which offers all the flexibility of Canon FD interchangeable lenses and additional accessories like Canon power winders and dedicated speedlites.

Canon AV-1

The Canon Sure Shot and Super Sure Shot models offer totally automatic operation in handsome compact cameras that deliver SLR-quality photos

Canon Super Sure Shot AF 35 ML

Canon Sure Shot AF 35 M

without the complexity of the higher-priced SLR cameras.

The Canon line is the most heavily advertised 35mm line, and the broadest, offering Canon quality at every price point. That's why Canon is the world's leader in 35mm photography!

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Video, Computer Mfrs. Almost Quadruple their TV Ads

NEW YORK—As the race for market share intensifies, video game and computer manufacturers spent over $92 million on television advertising in 1983's first quarter, almost four times more than they spent in the same period last year.

In fact, computer and video games are the fastest-growing classification of TV advertisers in 1983, reported the Television Bureau of Advertising (TvB), the television industry's marketing organization.

Computer advertisers, for both hardware and software, increased their TV advertising budgets 230%, from $11.8 million during the first quarter of 1982 to $38.9 million this year. Video game makers spent 336% more during 1983's first quarter than last year (on systems and cartridges), with spending jumping from $12.3 million to $53.6 million.

The dramatic jump in the video game category reflects the fact that seven of the top 10 companies did not use any television advertising in the first quarter of 1982.

Last year's nonadvertisers included Coleco Industries, General Mills (Parker Bros.), Activision Imagic, Milton Bradley (Vectrex), CBS, Data Age and TCF Holdings (20th Century Fox).

The two top advertisers for both years were Warner Communications (Atari) and Mattel (Intellivision). Warner spent $14.5 million on TV advertising in the fist quarter of 1983, a 98% leap from last year's $7.3 million.

Mattel's spending, meanwhile, skyrocketed 255% in the period from 1982's $3 million to $10.7 million during the first quarter of this year. Both companies concentrated on network rather than spot TV advertising.

The top three computer company advertisers were International Business Machines, Texas Instruments and Commodore International.

IBM increased its TV spending some 319% over last year's $2.1 million in the first quarter to approximately $9 million this year. Of that $9 million, $7.7 million were spent on network advertising and $1.3 million on spot ads.

Texas Instruments, in contrast, which spent $7.5 million compared to $1.2 million—a 505% increase—allocated all of its dollars to spot ads.

In addition, five of the top 10 computer manufacturers did not advertise at all during last year's first quarter. This year, however, they spent from $6.5 million up to $2.2 million each. These companies included Burroughs, Tandy (TRS), Timex, Datapoint and Management Assistance.

Video Games (Systems and Cartridges) Top Five Television Advertisers

Company	First Quarter 1982	First Quarter 1983	% Change
Warner Comm. (Atari)	$7,309,600	$14,466,000	+ 98
Mattel (Intellivision)	3,025,000	10,727,600	+255
Coleco Industries	—	9,584,500	+ inf.
General Mills (Parker Bros.)	—	5,983,000	+ inf.
Activision	1,961,900	5,585,200	+185

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

Computers (Hardware and Software) Top Five Television Advertisers

Company	First Quarter 1982	First Quarter 1983	% Change
International Business Machines	$2,146,000	$8,995,900	+319
Texas Instruments	1,242,400	7,517,200	+505
Commodore International	1,012,600	6,249,100	+517
Digital Equipment	732,000	5,593,000	+664
Warner Comm. (Atari)	1,425,600	2,851,400	+100

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

Lechmere Tests Units to Measure Water Depth Level

WOBURN, Mass.—Lechmere, the six-store New England hard lines discounter, recently began a test of electronic depth-finders in its Manchester, N.H., and Springfield and Dedham, Mass., stores.

The popularity of deep-sea fishing in its market, said buyer Paul Koutrakis, convinced the chain to start the test. The stores carry three sku's with retail prices of $199, $279 and $299 for the battery-powered units that measure water depth in a given area.

The chain has no special plans to promote the new items, said Koutrakis, who added sales in the initial weeks of the program have been encouraging. Margins on the goods average 30%.

The items are mostly geared to the avid fishing hobbyist who is always looking to improve his catch, says Koutrakis.

Major Appliance Shipments Up 30%

CHICAGO—Nearly 2.9 million major appliances were shipped in May, a 30.3% increase over May 1982, according to the Association of Home Appliance Manufacturers (AHAM).

The association said this was the industry's "best May since 1979" and the largest percentage increase over the same month in the prior year since the late 60's.

Paul Roman, AHAM vice president of marketing and international trade, said May shipments "far exceeded the most optimistic forecast being made in the industry."

AHAM's tally showed microwave ovens had their best month in history with 492,000 units shipped in May, a 132% increase over last year.

Increases for May in other categories were: dishwashers, 53.3%; electric ranges, 66.6%; clothes dryers, 44.6%, and refrigerators, 29%.

"Studies by the National Mass retailing Institute have revealed that personnel is one of the industry's problems. NRMI determined that an independent study approach . . . would be of tremendous benefit to the mass retailing industry. *Management Development for Discount Stores* forms the basis of the course."

—Foreword, ***Management Development for Discount Stores.***

MANAGEMENT DEVELOPMENT FOR DISCOUNT STORES

by Edward M. Harwell

A Review Committee of the National Mass Retailing Institute has reviewed this book and recommends it for use by members of the mass retailing industry.

SOLVE YOUR EMPLOYEE TURNOVER PROBLEM

Now more than ever before mass retailers must manage their personnel effectively. Edward M. Harwell, well-known author and Senior Vice President of Human Resources and Special Services of First National Supermarkets, provides an effective guide to each phase of the employment process.

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- Communicating and Evaluation
- Labor-Management Relations and Customer Relations

For only $19.95 you can plan, organize and develop your own personnel program or improve the one you have. Pragmatic, proven, effective guide for the decision-makers in your company.

Site Selection
by John Thompson
The first and only guide to retail store location—from one unit to a chain. Only $24.95.

More Than They Bargained For: The Rise and Fall of Korvettes
by Isadore Barmash
The best-selling insider's account of the meteoric rise and precipitous decline of a pioneering discount chain. $14.95.

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Home Computer Seminar

Mfrs., Chains Trade Views: Pp. 1, 24-45

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 22, NO. 16 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | AUGUST 8, 1983

Kids "R" Us' departments, like Gals "R" Us in Paramus, are color-coded and located off a center drive aisle. They are organized by sex, size and age with coordinated merchandise in each category.

Buying, Volume Projections Are Raised For Second Half

Nationwide DSN Report

Discount store and catalog showroom executives are, for the most part, guardedly optimistic about the second half and key fourth-quarter sales outlook.

This rosier outlook, nurtured by the upswing in the economy, has made many retailers change their original projections for buying goods and for sales.

"We make adjustments every week of the year and last fall we were anticipating an 8% increase for fall '83," David D. Glass, vice chairman, finance, Wal-Mart, said. "Now it looks like the actual increase will be 13%."

An executive at cataloger H. J. Wilson said same-showroom volume in the second half is expected to show gains that outpaced these stores' performance during the first half. He noted that in the first quarter, these showrooms had a 7% gain while the trend in the still unfinished fiscal second quarter is about 9%.

Stepped-up purchasing for the second half is the story at Murphy's Mart. Charles H. Lytle, parent G. C. Murphy's president and ceo, said that last fall buying was cut 15% based on the 1981 results. This year, the discounter is going "full steam ahead and ordering 100% of its seasonal requirements."

Gaylords is building its inventory earlier than in past years to be in-stock and positioned as the "store to shop," Joseph Nusim, exec vp, said.

Buying and stocking of toys, stationery and back-to-school goods peaked 60 days earlier than last year, and the results have been "Business that is

(Continued on page 60)

"Some of our biggest sales increases were in ladies' apparel, domestics, linen and home decor."—Herbert Gilman, chairman, ceo, Ames.

In contrast to last fall's cutback, Murphy's Mart is "ordering 100% of its seasonal requirements."—Charles H. Lytle, president, ceo, G. C. Murphy.

Toys "R" Us Gives Birth To Big Kids "R" Us Twins

By BRENT FELGNER

PARAMUS, N.J.—Kids "R" Us, the newly born off-price children's apparel entry from Toys "R" Us, has opened its first units here and in Brooklyn, N.Y.

Company executives are already positioning the chain to "own" the market within several years.

By some accounts, the two units have already redefined how an off-pricer should look and act, bringing a blend of sharp prices, extensive upscale fixturing, a high-service environment and a wide assortment of designer and brand-name apparel to market.

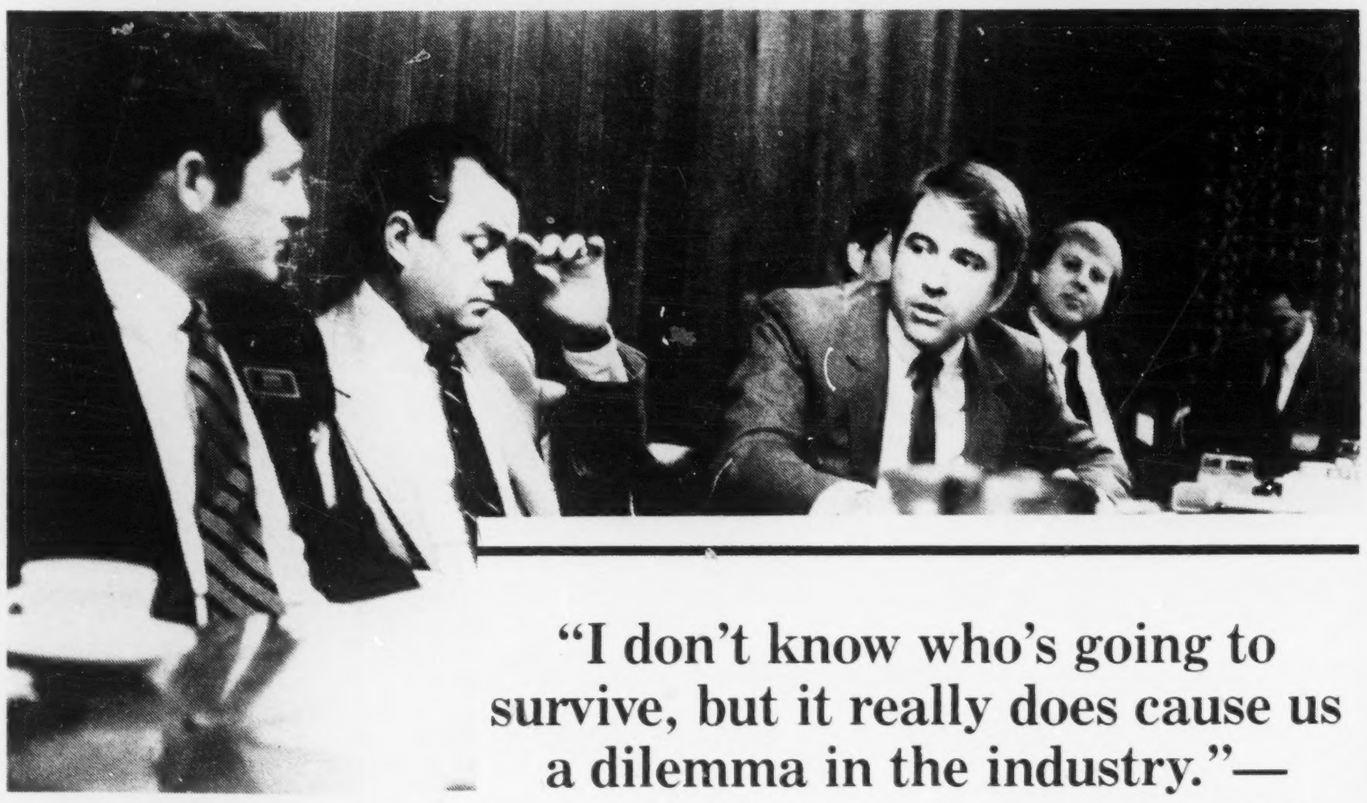
A spokeswoman for Toys "R" Us declined comment on the expansion plans of the new division. However, executives have privately said that they are eying more than 300 stores over the next few years.

But, the initial opening schedule is modest. There will be no additional stores opened this year and there are about eight to 10 stores planned for 1984, according to a source close to the company.

The openings—in mid-July—took place with little fanfare, allowing what one executive termed a brief "shakedown" pe-

(Continued on page 60)

Home Computers on Hot Seat



How can home computer hardware and software be retailed profitably? A group of prominent manufacturers, discounters and a cataloger exchanged their often brutally frank views about this exploding, changing market in a seminar sponsored by DSN.

Among the two dozen participants in the DSN *computer roundtable were (l.-r.) Mark Bradlee, vp sales, Imagic; Tim Huber, vp marketing, The Leading Edge; Bill Prophater, vp hard lines, Gold Circle, and Bill Skyrme, director of product development for Timex. Following is a transcript.*

"I don't know who's going to survive, but it really does cause us a dilemma in the industry."—

Bill Prophater, Gold Circle

DSN: To begin, where do you think the home computer market stands today? How have you positioned yourself in the current marketplace and, in general terms, where do you think you'll be in six months or a year?

DON DURBIN, vp, dmm, hard lines, Pamida: Right now, we're in a test program in just 10 of our stores. We're basically in rural markets. Our stores vary in size, so it makes it a little tough for us to really merchandise computers. We're selling video games, but we just don't know whether we've got the capabilities to sell the computers yet.

EUGENE O'DONNELL, vp, hard lines, Hills Dept. Stores: We're in a lot of rural markets also. But we've taken the position that we're going to go after the business fairly aggressively.

(Continued on page 21)

Digest

Aug. 8, 1983

HARDWARE

• **Hardware buyers, after cut**ting back to basics, are once again planning to expand departments. Step-ups are due to be added in power tools and lawn and garden. (p. 13)

HOME COMPUTER SEMINAR

• **Manufacturers, discounters** and a cataloger got together in a *DSN*-sponsored seminar to discuss ways of profitably handling the exploding home computer market. (pp. 1, 21-45)

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T.G. & Y. Has Five-Year Plan For Turnaround

OKLAHOMA CITY—T.G. & Y. executives have unveiled a five-year plan aimed at boosting sagging sales and profits and bringing the company into the 1980's in discount retailing.

The plan includes an extensive store remodeling and remerchandising effort, financed, in part, through continued store closings, according to Larry Del Santo, acting president and ceo. Those closings will free up about $62 million in capital by 1988.

The five-year plan calls for $50 million to be spent on store refurbishing with $30 million of it to be spent during 1984 and 1985. Another $11 million has been earmarked for an electronic point-of-sale/management information system, and an additional $27 million will be spent to upgrade the chain's

(Continued on page 55)

KDT Sells 5 Puerto Rico King's To K mart, 1 in Maine to Mars

NEWTON, Mass.—KDT Industries, continuing to wind down its King's holdings, has sold five stores in Puerto Rico to K mart and one in Bangor, Me., to Mars.

Only one King's in Brockton, Mass., and one in Alliance, Ohio, remain, and KDT expects to hold an auction this month to sell their leases.

KDT has also sold its Chelmsford, Mass., warehouse for $5.5 million to an investor who made a leaseback deal with Marshalls.

KDT, which is continuing to work on its Chapter XI reorganization plan, has sold its Newton headquarters, but will occupy the building until the end of the year, after which it will determine how much office space it needs to rent to handle the final disposition of its business.

The five King's in Puerto Rico sold to K mart for $2,150,000 are in El Senorial in Rio Piedras; Rexville Plaza in Bayamon; Plaza Rio Honda in Bayamon; Plaza del Atlantics in Arecibo and a freestanding store in Mayaguez.

KDT rejected the lease on one store in Puerto Rico and is negotiating with the landlord of another unit. Earlier this year, the company rejected two other stores on the island, while in an auction the Pueblo supermarket chain obtained three and Times Square Stores acquired the units in Ponce, Caguas and Guaynabo.

Mars won the Bangor store in an auction in June for $25,000, while landlords obtained the units in Milford, Conn., Auburn, Me., and Raynor, Mass.

Plans Aired

The Chapter XI reorganization plan calls for KDT to be merged with Ames and for the funds obtained from the disposition of the King's stores and other KDT assets to be used to pay creditors.

Ames, under the plan, will obtain 42 King's. The Hartford, Conn.-based discounter already has a contract to manage these stores and during the last two months has reopened 23 closed King's as Ames. Nineteen operating King's are to be converted to Ames during the next two months.

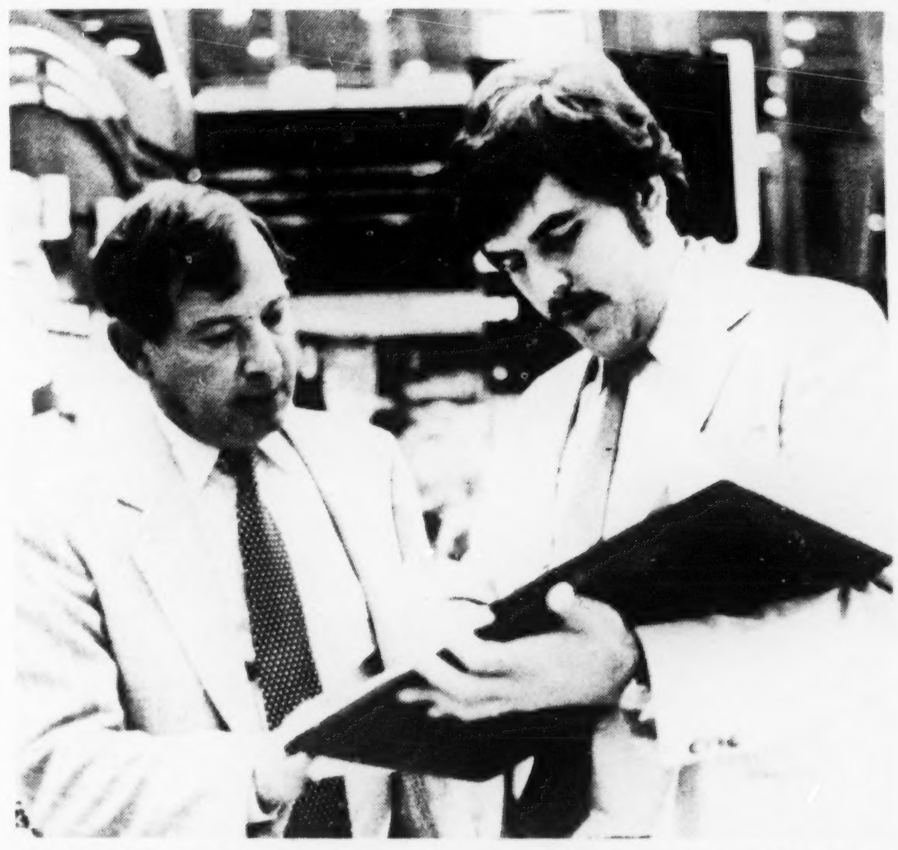
An Ames executive projects the 42 stores will add "in excess of $160 million" to the chain's volume.

The Ames deal with KDT provides for the former to buy the 42 stores should the Chapter XI reorganization plan and the proposed merger fail to be approved by either the Federal Bankrupcty Court or KDT's creditors.

KDT is due to send out a bar order to obtain a final list of claims against the company. When the order expires, no further claims against KDT will be accepted.

The list of claimants will enable the company to determine

(Continued on page 60)



Venture buyer Charles Biddle (r.) nails down some business with a manufacturer's representative at the July housewares show in Chicago. *(DSN photo)*

Generic Cigarettes Are the Hot Smokes

Nationwide DSN Report

Generic cigarettes are the hot smokes in discount store tobacco departments.

A growing number of discounters now feature generic cigarettes in their tobacco section, reflecting what a Rose's merchandiser conservatively described as the item's "major impact" on the sale of cigarettes.

While discounters and other retailers, for the most part, noted branded cigarette sales were mixed to weak, movement of generics has exploded.

A Bi-Mart merchandiser, for example, said generics are the top-selling "brand" at the Pacific Northwest chain, outselling any national line. Bi-Mart was among the few discounters that noted that cigarette sales overall were strong.

The sharply divergent trend between name brands and generics in the cigarette business is evident from studies from a number of different sources.

The Tobacco Merchants Association noted that total cigarette unit movement is on a slide, although dollar volume is up because of higher prices. Cigarette unit movement last year was 630 billion individual cigarettes, which works out to 31.5 billion packs. Both figures are down from the 1981 totals of 634 billion individual cigarettes or 31.7 billion packs, and unit movement is expected to be again off this year.

(Continued on page 46)

Producers' Offerings, Price Stability Buoy Housewares Buyers

By MARILYN NEERMAN

CHICAGO—Discounters left the 79th International Housewares Exposition in a good mood.

They were buoyed by the strong promotions they were able to nail down, general price stability, and enough in the way of new items and merchandise concepts: among them, space-saving electrics, Andis and Norelco hang-up hair dryers, Norcarl's Mr. Soft Drink, Remington's Aroma Disk Player, Corning's Visions cookware, Mikasa's Home Beautiful line, and new packaging from Sunbeam, Mirro and Foley.

If the final NHMA July housewares show didn't live up to some buyers' expectations, it might have been because those expectations were unrealistically high.

With a nine-month hiatus until the next National Housewares Manufacturer Association-sponsored industry get-together, buyers entered McCormick Place envisioning record-breaking attendance, manufacturers' booths redolent with new products for the back half and spring 1984, and, in general, more hoopla than the typical July event.

Instead, the show was July-as-usual.

Luke Kirby, Caldor's vp, gmm, summed it up, "It just seemed like this was a quieter show because everyone came to Chicago expecting such a big deal to be going on."

While buyers from Harts and ShopKo were disappointed in the lack of manufacturer readiness to work spring 1984, others including Arthur Zevator of L. Luria; Richard Lento, Gaylords, and Vin Seadale and Sam Mangiere, Jefferson Ward, found the slower tempo of the show conducive to accomplishing a prime objective: "really working" with manufacturers on promotions. They found manufacturers "flexible" and anxious to get their share of the healthy sales expected the rest of the year.

Confident in their competitive price positions and optimistic over the housewares outlook for the second half, many chains also used the show to continue shopping toward their policy of trading up, particularly in categories with a heavy fashion component, like tabletop merchandise.

Coinciding with the latter strategy was the launch of Mikasa's new line, Home Beautiful, geared specifically to the mass merchants. Bradlees, Hills, Caldor, Jefferson Ward and J. C. Penney are among the chains already committed to the line.

Home Beautiful—a coordi-

(Continued on page 18)

New Electrics Promising But Fail to Excite

CHICAGO—In traffic electrics, buyers at the housewares show still hoped to find that new item—the equivalent of a popcorn popper or food processor—guaranteed to bring in a customer stampede. They didn't. Nevertheless, buyers agreed that the growing list of space saving appliances—first from General Electric, now with wall-mounted hair dryers from Norelco and Andis, plus a new wave of wall-mounted can openers, including one from Rival, the can opener leader—were good second-half volume prospects.

The introduction of a broad range of health care electrics—notably from Norelco—and carded, blister-packed personal care items from Norelco, Clairol and Conair, gave electrics buyers two more areas of decision-making.

L. H. Christopher, buyer for Rose's, said some discounters might use the blister packs as in-and-out promotions at checkout areas. But, Pamida's Fred Perry commented, "My customers know where my appliances are; why confuse them by putting them all over the store?"

Dan Schiller and Joe Kramer from Alexander's commented, as did several other buyers, that blister-packing had a "cheaper" connotation than boxed items in any category. Kramer said, "We're wary that blister-packing wouldn't work as a gift business."

Bruce Sherwood of Danners does plan to buy the carded hair care group from Norelco. "These items give us the cross-merchandising option," he said.

Drug Emporium, in One-Market Blitz, Readies 4th Opening in Columbus

By KAREN PAXTON

COLUMBUS, Ohio—The concept of a low-margin discount H&BA outlet wasn't originated by Phil Wilbur.

But, he and son Gary have spent the past six years refining the idea.

For example, where most entrepreneurs and, most recently, chain drug companies, are satisfied to open one or two of the low-margin outlets in a single market, the Wilburs are going after market saturation. This month they will open their fourth (company-owned) Drug Emporium in Columbus.

"Dad borrowed much of the concept from Shulman's and F&M," said Gary Wilbur, president of the company. "But, he took it a step further, setting a goal for serious penetration of an entire market."

Then, he broke one of the unwritten rules of the low-margin concept and funneled 1.5% of sales to local TV ads. To get maximum use of his money Wilbur only commits to ads that will be paid in part by manufacturers' co-op funds.

The advertising message is institutional. "Our pitch is that we have 22,000 name brand name items at the lowest prices in town," Wilbur said.

That promise of selection plus a little mystery about just how low prices might be on any given day pushed sales at the newest store (which opened in March with 15,000 sq. ft. selling space) well over $100,000 a week, three months after the ribbon-cutting.

The store is located on the third wing of a strip mall still under construction and isn't visible from the main highway. According to one area retailer, the Wilburs have earned a reputation for choosing some of the worst sites in the market.

The Wilburs use the as-

(Continued on page 60)

Drug Emporium shoppers don't mind bagging their own light bulbs from boxes when the price is 33¢. One shopper did stop to shake a bulb and make sure it worked before buying.

Generic Cigarettes Become the Hot Smokes

(Continued from page 3)

(The dollar figures had 1982 cigarette sales at $23.5 billion, up from $21.2 billion in the previous year.)

The decline in the name brand portion of the cigarette market is evident when generics are considered. The TMA's figures include both name brand and generic cigarettes.

However, a generic cigarette study by John Maxwell of Lehman Bros. Kuhn Loeb reported that this type of cigarette went from almost nothing in 1980 to 2.7 billion individual cigarettes or 130 million packs in 1981 and then doubled in unit volume to 5.8 billion cigarettes or 300 million packs last year.

Generic unit movement is expected to double to 11 billion-12 billion cigarettes and about 600 million packs this year.

When generics' movement is taken out of the total cigarette unit action, it leaves name brand cigarettes sliding from 631.3 billion individual cigarettes or 31.6 billion packs in 1981 to 624.2 billion cigarettes or 31.2 billion packs last year.

Discounters are divided on whether generics have taken up some of the slack in name brand sales or are just additional business. No one, however, can point to any brand that has lost sales to generics.

The growing consumer demand for generics in the face of the weak name brand business has resulted in a roster of discounters adding generics to their mix. The chains include Wal-Mart, Nichols, ShopKo, Jamesway, Fred Meyer, Rose's, Murphy's Mart, Cook United, Meijer's and Bi-Mart.

Rose's has been selling generics for just over a year, and a merchandiser reported that sales were stronger in rural markets than metro areas. Price was the key consideration in a consumer selecting a generic pack, he said.

The view that price is the spark that flames generic sales was supported in a reverse fashion by a Nichols merchandiser.

That Northeast discounter has expanded its generics merchandising from just New York State stores in 1981 to all units last year. Despite the greater number of stores now selling generics, this type of cigarette hasn't greatly impacted the chain's movement of national brands.

The price of generics isn't sharply lower than name brands at Nichols because the discounter has a program of meeting—and beating—competitors on name brands; this has resulted in Nichols pricing name brands as low as 15¢ a pack under competitors.

The lower price for name brands has become the attraction for shoppers, the merchandiser said, so that the chain's cigarette business overall was up 6% in sales for the most recent quarter.

Generic cigarettes are usually priced 30% less than name brand cigarettes, but the price for both types varies due to different state laws, and even within a state because of local taxes.

Rose's, for example, discounts generics and name brand cigarettes on a local basis, due to different state regulations and tax rates. This means that cigarettes aren't included in chainwide circulars, but are featured in newspaper ads that a store can run with a local newspaper.

Bi-Mart, on the other hand, promotes cigarettes in monthly chain ads in Oregon, but doesn't include cigarettes in Washington promotions because that state requires that retailers maintain a 10% margin on all cigarette sales.

Ohio also has a minimum retail markup for cigarettes, so cigarettes aren't promoted in the Buckeye State, the Cook United merchandiser said. Despite the lack of promotions, generics have had a major impact on cigarette sales, the merchandiser added, because customers see the saving as compared to national brands when they come to the store and check out the prices at the display.

Different Procedures

Generics are shown on a separate fixture adjacent to name brand cigarettes at Nichols, Cook United and Rose's, but are part of the regular cigarette mix at Bi-Mart.

The Bi-Mart merchandiser said generics get more facings than national brands, so these cigarettes aren't lost among the name brands.

The Rose's merchandiser said that generics have to be displayed separately so the impact of the lower prices isn't lost on customers.

King-size is the best seller among generics at Cook United, followed by 100's; menthol types are good and the ultra-lights are fair, the merchandiser added. Other discounters reported a similar trend; the Rose's merchandiser noted that each store can cull them six different types of generics for the best sellers for its market.

Cigarette Unit Volume

	1980	1981	1982
All Cigarettes	620,000,000,000 (31,000,000,000 packs)	634,000,000,000 (31,700,000,000 packs)	630,000,000,000 (31,500,000,000 packs)
Generic Cigarettes	N.A. N.A.	2,700,000,000 (130,000,000 packs)	5,800,000,000 (300,000,000 packs)

N.A.—Not available. Source: Tobacco Merchants Association; John Maxwell, Lehman Bros. Kuhn Loeb.

Tobacco Dollar Volume

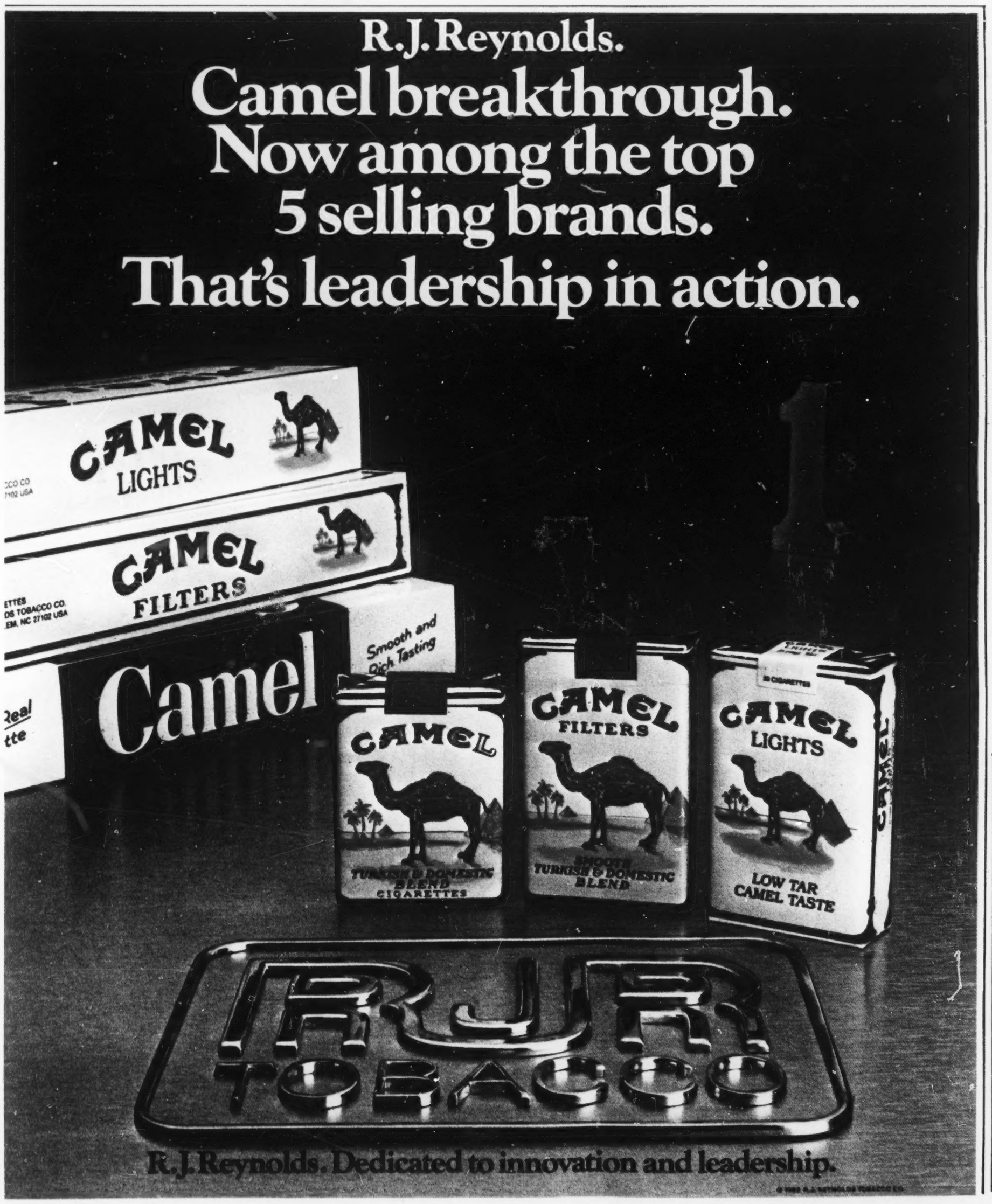
	1980	1981	1982
Cigarettes	$19,400,000,000	$21,200,000,000	$23,535,000,000
Large Cigars	641,000,000	661,000,000	656,000,000
Small Cigars	36,000,000	39,000,000	41,000,000
Other Tobacco Products	930,000,000	1,040,000,000	1,115,000,000

Source: Tobacco Merchants Association

Disposable Lighter Unit Sales

	1980	1981	1982
Disposable lighters	400,000,000	415,000,000	425,000,000

Source: Bic Lighters



Some Foodniks Try PL Route

Special DSN Report

Generic cigarettes are making news at discount stores.

But, it's another story among supermarkets. About a dozen of these retailers have started to merchandise private label cigarettes—and in the process dropping generics.

PL cigarettes are also priced 30% below name brands, so that a supermarket's interest in PL isn't margin but rather strengthening its identity with shoppers.

With PL, every time a customer lights up, the supermarket's name is seen on the pack.

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HARDWARE SHOW

See Special Section: Pp. 41-68

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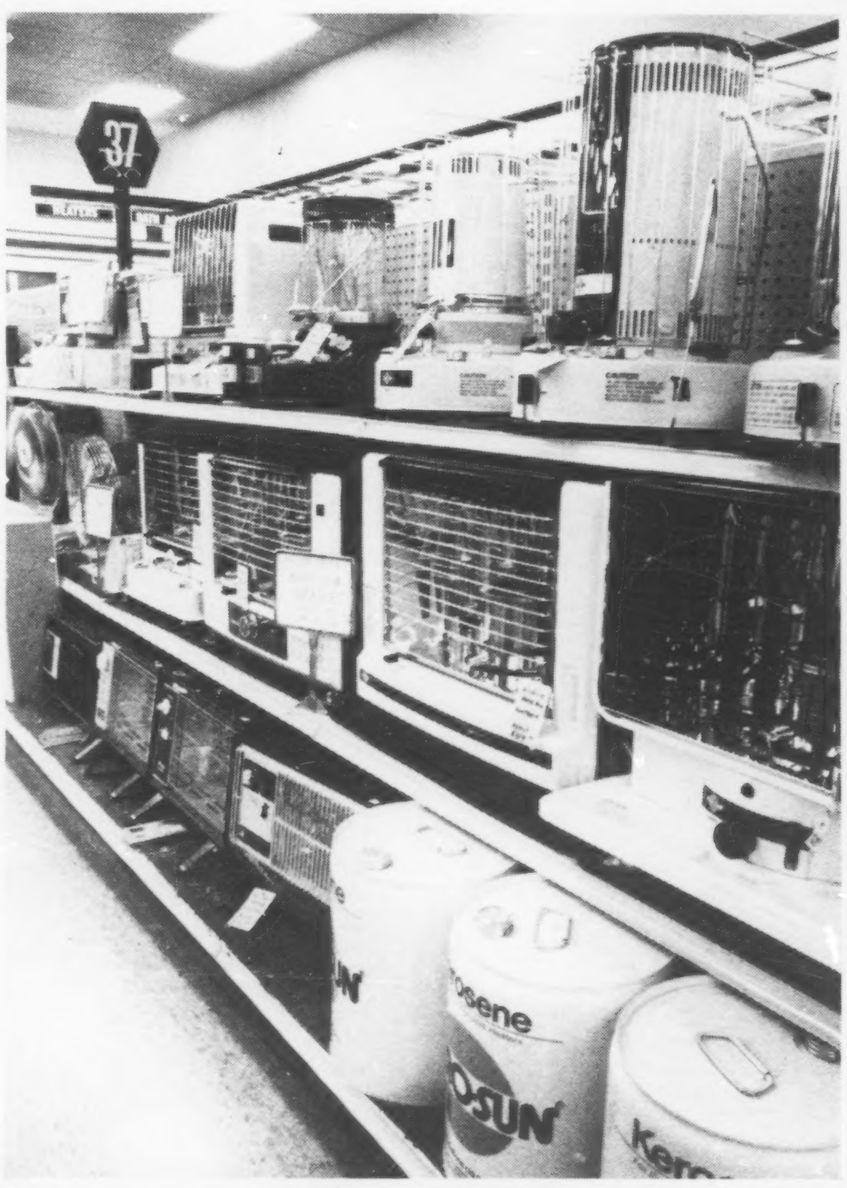

Kerosene Heaters Cool It

Bad publicity and a recent rash of local legislation may have taken their toll of the kerosene space heater business. Northern-based discounters, where most of the new laws were written, are either cutting assortments for this fall or dropping the category entirely. Southern- and Western-based chains, which have had consistently strong sales, say they are keeping assortments at last year's levels, fearing the new regulations will spread into their markets.

A.T.&T., as Phone Name, Causing Few Hang-ups

NEW YORK—No one is answering at American Bell.

Discounters and catalogers are now going to have to dial A.T.&T., the new name for their telephone merchandise programs.

Parent company American Telephone & Telegraph said it wasn't fighting the court ruling that it give up the well-known American Bell name for the sale of equipment and services; it was switching to A.T.&T.

The company doesn't intend to waste any time making the conversion. The plan is to have it all accomplished by the end of September—1983.

Those stores—Bradlees, Target, Hills, Wal-Mart, Lechmere, Best Products and Service Merchandise—having variations of the American Bell program, are going to have to take down their present signing and fixturing and replace it with new, company-supplied accoutrements reading A.T.&T.

The telephones themselves and their packaging, imprinted with the American Bell name, will be allowed to "work themselves through the pipelines" instead of being pulled out of stock.

When asked if there was anything to prevent a retailer from sticking with the American Bell name to capitalize on its strong consumer franchise through the Christmas selling season, a company spokesman responded: "There's nothing illegal about that, but we don't think it would be to a retailer's advantage to do it in view of the money we're spending right now to promote the new name."

Discounters using the Amer-

(Continued on page 94)

To Have Catalog Order, Pickup Desk

Best Sets Unique Jewelry Store

HOUSTON—Best Products will open a unique 11,000-sq.-ft. jewelry/giftware store with a catalog order and pickup desk here.

It will open in mid-October in a huge downtown commercial and retail development called The Park in Houston Center. The new showroom is part of Best's effort "to define a strong format for downtown and older suburbs where space is at a premium," executive vice president Joel Koblentz said.

"We are just providing a different-sized store to accommodate [the market]; in the past we haven't been able to serve downtown or older suburbs that were densely developed."

The new Houston showroom is "very close in concept" to the 3,500-sq.-ft. Best Jewelry store opened in May in Williamsburg, Va. Three Best Jewelry units are projected for the Washington-Baltimore market this fall.

Best Jewelry inventories and sells only jewelry and giftware. A customer can order merchandise from the Best catalog for pickup or home delivery within two days.

Koblentz said the key difference in Houston is that the new showroom will sell jewelry and giftware from serviced counters and will stock in its warehouse all the items in the catalog except for toys and bulky items. "Anything an individual can carry out we will stock in the Houston store for immediate pickup," he explained.

(Continued on page 94)

Digest

Aug. 22 1983

H&BA

- **Fragrance buyers scent a** strong Christmas.(p. 29)

PHOTO

- **Buyers are relying more on** film sales and turnover. (p. 30)

HARDWARE

- **En route to the hardware** show, buyers, encouraged by the reviving economy, planned to look for some step-up items. (Special section, pp. 41-68)

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T.G. & Y. Pushes Remodeling

OKLAHOMA CITY—T.G. & Y.'s store remodeling program has provided the first strongly visible evidence of acting president Larry Del Santo's efforts to return profitability and competitiveness to the wounded retail giant.

Although the changes would be deemed modest for some discounters, for T.G. & Y. they must be considered bold, relying heavily on the successful track record of the AIM for the best division.

However, AIM for the best—which Del Santo said provided the "laboratory" for much of T.G. & Y.'s upgrading—has also experienced stunted growth because of the losses incurred by the Family Centers and variety stores.

Plans for openings have been reduced from 10 this year, then to five—and now to just one store over the course of Del Santo's five-year recovery plan.

That store—the 13th for AIM—was to have opened this month in Baytown, Tex. *(Also see story, DSN, Aug 8.)*

Nonetheless, Del Santo maintained that AIM for the best would remain T.G. & Y.'s prime vehicle for entry into major metropolitan areas.

The changes, which were unveiled by Del Santo during a briefing last month, apparently form the second phase of his prescription for the ailing chain. The first involved a series of changes in the executive ranks.

Del Santo's five-year plan calls for the chain to achieve $3.3 billion in sales by 1988, up from $2.2 billion this year—and $125 per square foot in sales by 1985, up from $90 this year.

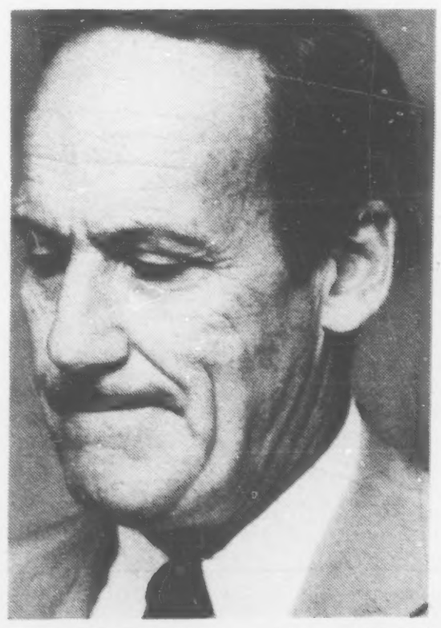
Those goals are to be met through a combination of the store renovations and updated management and merchandising programs. All center around making each store a profitable entity for the chain.

The remodeling program will convert all Family Centers of 35,000 sq. ft. or more. Sixteen stores in the Oklahoma City area will be converted this year; 100 in 1984, and the remainder will be spread over the remaining three years of the current plan.

Store managers and merchandisers are also being retrained to tackle current retail systems for conducting business, and to break some of the old habits that led the company on its downward spiral.

Additionally, the introduc-

(Continued on page 4)



The doctor from Household Merchandising: Larry Del Santo, acting president and ceo of T.G. & Y., is performing major surgery on the patient in the "intensive care unit." He is optimistic about the prognosis for profitability. *(DSN photo)*

'Lab' AIM Also Being Reworked

OKLAHOMA CITY—The test kitchen is changing too.

While T.G. & Y. executives put many of the concepts and merchandise programs first developed in its new AIM for the best Stores to work in its Family Centers, they also made many changes in the upscale division they unveiled early last year.

The AIM for the best Stores are being reworked to create larger and better-located seasonal areas; fabrics is being eliminated and soft goods—particularly the off-price apparel program that was the chain's centerpiece—is being remixed, to name just a few of the changes.

A "mini-seasonal" area—for small seasons like Halloween and back-to-school—will be carved out of aisle space at the front of the store,

(Continued on page 4)

HOUSEWARES

Discounters Hot in NHMA Consumer Preference Poll

CHICAGO—Consumers are buying their housewares mainly at discount stores in four of the six product categories included in the recent consumer buying study released by the National Housewares Manufacturers Association (NHMA).

The study, conducted every five years for the NHMA by B. Angell & Associates, also showed consumer preference for discounters on the rise in three categories—cook/bakeware, serving/buffet products, and bathroom accessories—since the first study conducted in 1974.

Survey results were based on a sampling of 2,400 consumers drawn randomly from a consumer panel of 125,000 households. A total of 1,940 respondents answered the mail questionnaire—an 80% return.

The sample base was skewed somewhat, according to the NHMA, to accommodate demographic shifts such as "higher average age at the time of marriage," and the "increased prevalence of divorce." Because of these changes, more single household members were added to the sampling.

Some of the survey findings indicated that discounters bent on upgrading in taste level and/or price are on the right track, particularly in their ability to attract the freer-spending, growing single population.

For instance, while customers still consider "price" an important element in their decision to buy, "price" as a determining factor has leveled off since the prior study in 1979. Among single customers, "price" was a less important factor than it was to the general population.

More important to single customers than the general population were such factors as color/design, sizes and brand.

Amount Spent for Housewares Purchased as Gifts

Category	General Population	Singles
Outdoor Products	$21.85-26.48	$23.17-36.09
Small Electrical Appliances	21.38-24.02	24.87-35.06
Serving/Buffet Products	19.98-21.36	24.60-32.61
Bathroom Accessories	15.47-16.76	17.02-21.39
Cook and Bakeware Items	14.33-15.88	18.42-23.71
Kitchen Tools/Gadgets	9.09- 9.84	12.14-15.60

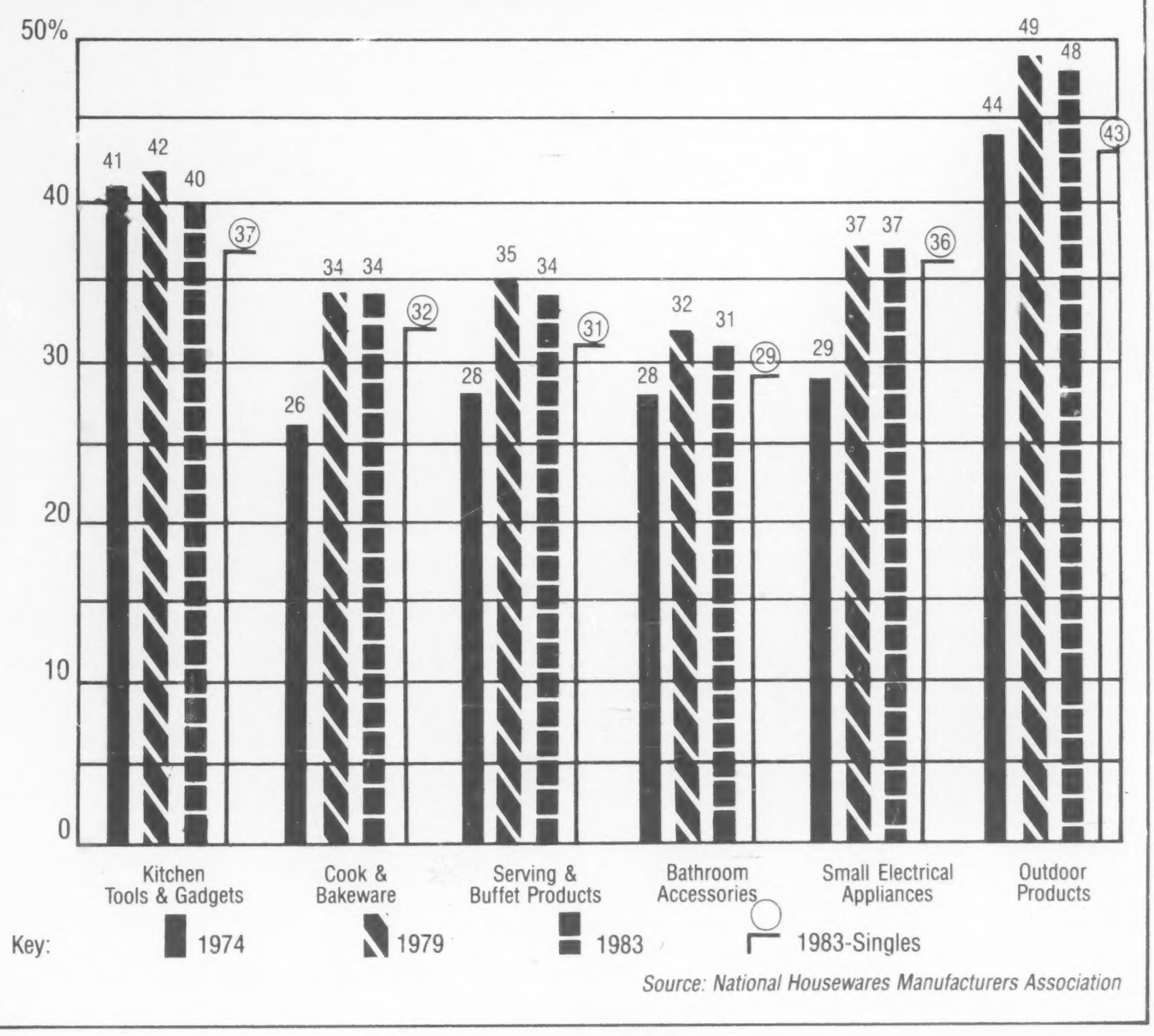
Source: National Housewares Manufacturers Association

Stores Where Housewares Were Purchased

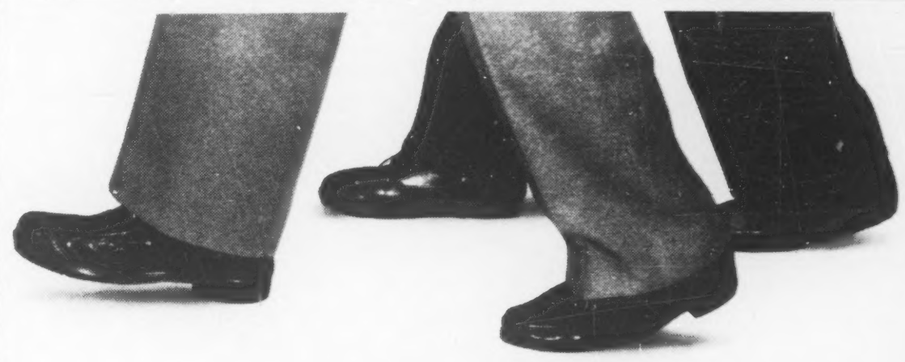
Category	Year	Discount	Department	Hardware	All Others*
Kitchen Tools & Gadgets	1983	48%	24%	6%	22%
	1979	53	24	10	13
	1974	48	21	14	17
Cook & Bakeware	1983	43	38	9	10
	1979	53	24	10	13
	1974	39	41	14	6
Serving & Buffet Products	1983	30	53	3	14
	1979	33	57	6	4
	1974	29	56	4	11
Bathroom Accessories	1983	35	51	4	10
	1979	40	47	6	7
	1974	32	50	6	12
Small Electrical Appliances	1983	49	34	8	9
	1979	53	33	10	4
	1974	52	32	13	3
Outdoor Products	1983	42	21	33	4
	1979	46	20	30	4
	1974	48	16	31	5

**Includes: Catalog showrooms, food stores, variety stores, etc.*
Source: National Housewares Manufacturers Association

Change in Relative Importance of Price 1974-1983



Source: National Housewares Manufacturers Association



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HARDWARE

PRODUCT MOVEMENT AUDIT

Strong Biz Is Expected To Continue

By ARNOLD REINHARD
Director of Sales, Schreiber Company

The rise in consumer spending and the upsurge in new housing starts that resulted in strong hardware sales in the first half of the year are expected to continue through this year and into 1984.

Sales gains of about 18% at the retail level were reported in basic items like electrical and plumbing materials and caulks. Sales rose a remarkable 25% in stains and should continue to be strong with this resurgence of home improvement activity.

The recession that we are just coming out of differed greatly from those in the recent

(Continued on page 52)

POWER TOOLS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	B&D 7308 7¼" Saw	505	35.31	17,832.81
2	B&D 7127 ⅜ Vari Rev Dr	487	26.41	12,862.89
3	B&D 7404 Sander	445	26.00	11,586.69
4	B&D 7504 Jig Saw	599	17.14	10,265.36
5	B&D 7104 ⅜" Drill	497	19.80	9,840.60
6	B&D 7300 5½" Saw	230	31.63	7,276.63
7	B&D 7204 ½" Drill	140	39.00	5,461.75
8	B&D 7451 Belt Sander	49	109.15	5,348.35
9	B&D 7530 2 Speed Jig Saw	199	26.76	5,325.74
10	Welr D550PK Sold Gun Kit	117	29.00	3,400.31
11	Welr 8200PK Sold Gun Kit	139	21.43	2,978.08
12	Welr W8200 Soldering Gun	145	18.38	2,664.38
13	Welr SP23K Soldering Iron	273	9.59	2,617.38
14	B&D 7390 7¼" Saw	60	41.53	2,491.50
15	B&D 7600 Router	68	36.39	2,474.35

TOOL ACCESSORIES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	B&D 73-007 Combbld 7¼	893	2.94	2,625.42
2	Howd 1130 13 Pc Drill Set	257	10.04	2,579.77
3	Howd 1306 13 Pc Drill Set	408	6.31	2,574.48
4	Howd 1100 10 Pc Drill Set	257	7.74	1,989.69
5	Howd 1170 7 Pc Drill Set	342	5.74	1,963.08
6	Howd 1008 ⅛ 2/CD Drl Bt	1,606	1.22	1,956.11
7	Howd 6212 7¼ 24 Tooth	213	8.96	1,908.48
8	B&D 73-027 Croscut 7¼	580	2.94	1,705.20
9	B&D 73-0 .7 Plywdbld 7¼	474	3.10	1,469.40
10	Craw 87 All Purp Saw Bkts	936	1.55	1,454.54
11	Howd 201 Goggles W Strap	502	2.87	1,440.74
12	Howd 5910 7¼ Comb/Plywd	264	5.17	1,363.82
13	B&D U1579 Drill Accs Ast	140	9.14	1,279.88
14	Howd 9668 Mandrill 2½	359	3.51	1,261.53
15	Howd 1104 4 Pc Set	348	3.51	1,221.48

HAND TOOLS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Stan 33312 12' Power Rule	1,078	8.36	9,008.30
2	Stan 11921 Heavy Duty Bld	6,669	1.21	8,102.84
3	Arrw T-50 Staple Gun Tack	484	16.34	7,906.14
4	Stan 84&121 6" Lng NS P1	1,596	4.44	7,088.63
5	Stan 51616 16 oz Hammer	1,092	5.72	6,250.61
6	Stan 87-368 8" Adj Wrench	1,078	5.67	6,112.26
7	Wiss MPC3 Multi-Purpose	726	7.49	5,439.56
8	Stan 84-106 6" Slp JT P1	1,815	2.97	5,390.55
9	Stan 33425 25' Tape Rule	439	12.20	5,357.56
10	Stan 33208 8' Power Rule	1,014	5.09	5,160.75
11	Stan 34-500 L. Tape 100'	477	10.81	5,158.04
12	Stan 33212 12' Power Rule	728	6.62	4,815.72
13	Stan 84-139 10" GR JT PL	842	5.70	4,796.87
14	Stan 42-248 48" Alum Levl	412	11.58	4,772.20
15	Stan 84-131 6" Diag Plier	1,058	4.44	4,699.11

LOCKS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Harl T-700 US3 Entry Mdl	1,486	8.32	12,357.58
2	Mast 1500D Comb Padlock	3,228	3.17	10,240.83
3	Wick SV840 Sunray 3X3 Ent	575	12.85	7,389.90
4	Mast 22D Padlock 1-1/2"	4,056	1.76	7,118.28
5	Mast 500D Padlock 1-3/4	2,880	2.25	6,492.96
6	Slay BL26 Laminat Padlock	3,132	1.78	5,581.22
7	Idel SK600 Knob Lock	892	5.67	5,057.64
8	Idel 45-3023 Nite Latch	821	5.52	4,533.15
9	Slay BL2725 Lamt Padlock	1,338	3.28	4,389.31
10	Idel Sk85 Pneumatic Close	859	5.09	4,371.88
11	Idel SK11AC Pushbutn Ltch	678	6.08	4,118.85
12	Mast 1D Padlock 1-3/4"	738	5.51	4,064.90
13	Mast 7D Padlock 1-1/8"	1,019	3.85	3,920.60
14	Idel SK980AC Pushbuttn Latch	584	6.48	3,784.32
15	Idel SK11 Pushbuttn Latch	605	6.08	3,675.38

(Continued on page 52)

CALENDAR

Aug. 30-Sept. 1
APAA: Automotive Parts and Accessories Show, McCormick Place, Chicago.

Sept. 11-14
National Merchandise Show, Coliseum, New York.

Sept. 12-14
NRMI: National Mass Retailing Institute Loss Prevention Conference, Fairmont Hotel, New Orleans.

Sept. 27-29
Dallas Toy Show, Dallas Market Center, Dallas.

Oct. 1-4
28th Annual Sporting Goods International Show, New York Coliseum, New York.

Oct. 8-13
AGMC: Association of General Merchandise Chains Na-

(Continued on page 52)

46th Crown Auto In Wisconsin Bow

MINNEAPOLIS—Empire-Crown Auto opened its 46th Crown Auto store.

The 7,112-sq.-ft. unit is the chain's first in Superior, Wis., although there are three existing stores in Wisconsin and two in nearby Duluth, Minn.

The opening marked the company's second new store for 1983, on target with the chain's goal of opening at least four stores by year's end.

The new outlet features retail automotive parts and accessories and four fully equipped service bays.

It's all in your swing. Swing over to Vigoro and watch the green pile up in your cash register. Because Vigoro produces results—thick, green lawns that are rugged enough to take all the abuse a family can dish out. Our newest TV commercial for Vigoro makes that point. Here are some more reasons you should team up with Vigoro.

Nationally advertised. Regionally formulated.
National advertising brings people to your stores. All your stores. Regional plants mean your customers get the Vigoro formula specially suited to their area.

Regionally distributed.
With dozens of shipping points, Vigoro gets you your order fast. So you don't have to stock a big inventory. Or pay long-distance shipping charges. That means savings you can pass along to your customers, making Vigoro even more attractive on the shelf.

Vigoro quality.
Our "Green Grass Guarantee" assures customer satisfaction. And our award-winning packaging is keyed for easy selection.

Private label capabilities.
One call to Vigoro and you've got a single source supplier for private label products, too.

Co-op opportunities.
With Vigoro's generous co-op advertising program, you can run local TV schedules, tagging each spot with your name, address, and pricing. Or run your own radio, newspaper, roto, or special event ads.

Cash in on the green. Call Vigoro collect at 312-322-8302.

VIGORO®
THEY KNOW WHAT MAKES YOUR PROFITS GROW.

60 YEARS OF GREENING & GROWING

VIGORO LAWN AND GARDEN PRODUCTS • ESTECH, INC. 30 N. LaSalle Street Chicago, IL 60602

BEST AVAILABLE COPY

HARDWARE

PRODUCT MOVEMENT AUDIT

Strong Biz

(Continued from page 51)

past because fewer consumers could afford to make even basic repairs to their homes this time around.

Now consumers are again tackling some of those smaller repairs.

In plumbing, sales grew about 15% to 18% last year, with most of the sales in repair and replacement items.

The most popular items on our plumbing inventory included toilet tank repair kits and the Executive Head, a shower head unit. These items ranked sixth and seventh, respectively, considerably higher than on last year's product movement audit.

Basic items were also strong in the electrical category. This is another example of making small enhancements to the living environment by adding dimmer switches or new outlets around the house.

The leading items on the list were two types of electrical cable, followed by dimmers, out-

(Continued on page 53)

With more consumer electronics items requiring AA batteries, many discounters are reducing inventories of nine-volts and adding AAs. Harts in Columbus, Ohio, uses a carded wall display for batteries above electric wiring. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BATTERIES			
1	Ever E91BP-4 AA Alk Batt	57,850	2.90	167,765.00
2	Ever E93BP-2 C Alk Batt	74,664	2.02	150,821.28
3	Dura MN1500B4 AA Size 4 Pk	43,822	2.88	126,332.64
4	Dura MN1400B2 C Size 2 Pk	58,320	2.02	117,573.12
5	Ever E95BP-2 D Alk Batt	52,104	2.02	105,041.66
6	Dura MN1300B2 D Size 2 Pk	50,208	2.02	101,420.16
7	Ever E91BP2 AA Alkaline	54,720	1.55	85,034.88
8	Dura MN1604B 9 Volt 1 Pk	31,632	2.02	63,896.64
9	Ever 522BP 9V Alk Battery	29,172	2.02	58,927.44
10	Dura MN1500B2 AA Size 2 Pk	34,704	1.55	53,791.20
11	Ever 1215BP-4 AA H D Batt	29,268	1.48	43,433.71
12	Ever 1209 6V Gen Batt	12,960	2.98	38,646.72
13	Ever 950-4 D Gen Battery	27,918	1.25	34,785.83
14	Dura MN1604B2 Volt 2 Pk	9,792	3.32	32,489.86
15	Ever E92BP2 AAA Batt	20,448	1.55	31,694.40
	PLUMBING			
1	Meld 1501 Basket Strainer	5,268	1.55	8,173.30
2	Meld 14206 6" Plunger	5,234	1.45	7,589.30
3	Meld 1603 Ballcock Brass	602	10.95	6,590.40
4	Meld 3525 Shower Massage	305	17.21	5,249.51
5	Meld 18016 6' Fem X Fem	1,447	3.58	5,182.43
6	Meld 1600 Toilet Tank Kit	726	6.50	4,716.10
7	Meld 360 Executive Head	1,022	4.50	4,593.89
8	Meld 361 Guardsman W/Adj	597	7.48	4,466.75
9	Meld 1422 Super Plunger	1,336	3.26	4,358.70
10	Meld 19012 Sink Strainer	672	6.25	4,199.66
11	Meld 1619 Flapper Ball	2,976	1.40	4,185.74
12	Meld 1601 Ballcock Plasti	904	4.48	4,050.37
13	Meld 68321 Towel Bar 24"	402	9.29	3,736.39
14	Meld 373 Shower Massage	358	10.25	3,670.04
15	Meld 312 Rubber Bath Spray	1,563	2.09	3,263.54

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CALENDAR

(Continued from page 51)

tional Convention, Marco Beach Marriott, Marco Island, Fla.

Oct. 20-22
PMA: Photo Marketing Association, Fall Seminar & Trade Show, San Antonio Convention Center, San Antonio, Tex.

Nov. 8-12
AFTMA: American Fishing & Tackle Manufacturers Association Annual Meeting, La Posada, Scottsdale, Ariz.

Nov. 16-18
NMRI: National Mass Retailing Institute Financial and EDP Conference, Dutch Inn Resort Hotel, Lake Buena Vista, Fla.

Feb 11-13, 1984
Winter National Hardware and Home Center Show, Las Vegas Convention Center, Las Vegas, Nev.

Feb. 17-19
National Back-To-School Merchandise Show, New York Coliseum, New York.

Feb. 18-21
Variety Merchandise Show, Coliseum, New York.

Feb. 18-20
National Back-To-School Merchandise Show, Coliseum, New York.

May 7-10
Premium Incentive Show, Coliseum, New York.

READ
CLASSIFIED ADS

In 1984, Weber breaks through the myths about barbeque grill sales.

MYTH: "When it comes to barbeques, there's no real brand awareness."

FACT: For years, we've outspent the rest of the barbeque industry *combined* to plant our name in your customers' minds. Today, Weber is the nation's *number one* barbeque brand... the *only* brand many of your customers know. And in 1984, we'll be spending more than ever to make sure your customers ask for Weber—*by name!*

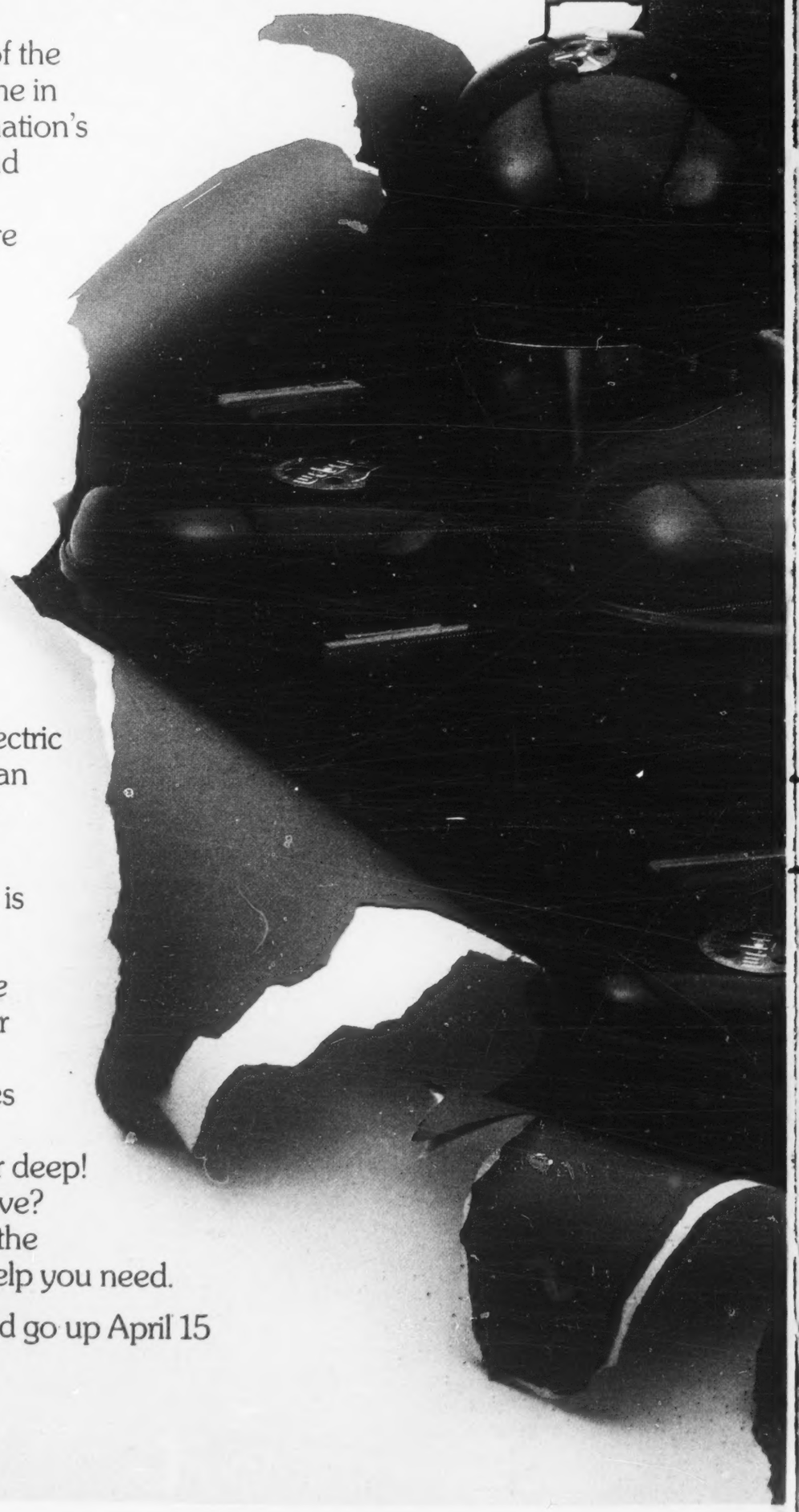
MYTH: "You can't make profits in the barbeque department."

FACT: You can if you merchandise the Weber Dynamic Season™ program. You can't expect to make money with just one or two SKU's—*step-up and add-on sales* are the key to barbeque profits. Many of your customers will trade up to Weber's extra-value colors or Weber Gas Kettles—*if* you display them. And every Weber owner is an instant candidate for our high-margin accessories or the top-of-the-line The Web® electric bug killers, too. Your Weber Representative can help you put together the right planogram for your needs. Just ask!

MYTH: "The best approach to barbeques is to keep your inventory low."

FACT: That's the best way we know to *lose sales.* No dealer gets stuck with leftover Weber inventory—our complete support program, including a month-long network TV blitz, takes care of that. In fact, many dealers are out of stock and out of luck by Memorial Day! Order deep! Not sure how much Weber stock you can move? Ask your Weber Representatives. They have the Dynamic Season planograms... and all the help you need.

MYTH: "The barbeque department should go up April 15 and come down July 5."



©1983, Weber-Stephen Products Co.

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
ELECTRICAL				
1	Genc 12-2-100 Romex NM	546	20.37	11,122.02
2	Genc 12-2-50 Romex NM	700	11.00	7,703.85
3	Levi 801-6671 Dimmer	1,806	4.16	7,515.67
4	Carl 4170 81-1/2" CL Lamp	1,409	5.25	7,395.84
5	Epak Moc-6C Multioutlet	407	16.81	6,839.84
6	Angl 76013 Forte Chime Kt	228	25.94	5,914.77
7	Levi 801-6101 Night Light	3,345	1.75	5,868.80
8	Levi 800-7090PG Knob Sock	2,689	1.96	5,270.44
9	Levi 800-1215 Ground Outl	3,668	1.40	5,135.20
10	Carl 03302 100' Org Ext	341	14.35	4,893.35
11	Genc 14-2-100 Romex UF	237	19.95	4,728.15
12	Genc 14-2-100 Romex NM	307	15.40	4,727.80
13	Levi 800-697 Plug Outlet	1,910	2.46	4,706.24
14	Levi 800-6098PG Butt Sock	2,865	1.67	4,612.65
15	Genc 14-2-50 Romex NM	566	8.13	4,603.84
STAINS				
1	Deft Quart Defthane Gloss	864	6.68	5,773.68
2	Deft Quart Defthane Satin	723	6.68	4,829.64
3	Deft Qt Wood Finish	719	5.94	4,270.86
4	Foby 0010 Furn Refin 16 oz	803	4.73	3,794.18
5	Foby 0011 Furn Refin 64 oz	260	14.58	3,790.80
6	Bull White Shellac 3 lb qt	782	4.40	3,441.58
7	Bull White Shellac 3 lb pt	1,200	2.82	3,385.80
8	Min 224 Spec Walnut qt	666	4.85	3,227.77
9	Min 2716 Dark Walnut qt	627	4.85	3,040.95
10	Min 230 Early Amer qt	575	4.85	2,788.75
11	Min Poly Gloss 1 qt	396	6.00	2,378.97
12	Min Poly Satin 1 qt	370	6.00	2,220.00
13	Deft Spray Wood Finish	630	3.49	2,202.80
14	Foby 0013 Furn Refin 32 oz	251	8.75	2,195.75
15	Min 210B Golden Oak Qt	450	4.85	2,182.50

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
SEALANTS				
1	Krax 240CD Krazy Glue	15,264	0.98	14,958.72
2	Duro Supl Super Glue	14,904	0.98	14,605.92
3	Bord E701 Wood Glue 8 oz	7,823	1.62	12,704.55
4	G.E. 2567-012 Caulk Clear	1,368	6.33	8,656.70
5	Bord E702 Wood Glue 16 oz	3,019	2.73	8,241.87
6	Bord E379 Elmers Glue 8 oz	5,943	1.30	7,737.79
7	G.E. 361 Seal Clear	2,562	3.00	7,675.75
8	G.E. 300 Tube Caulk White	2,484	3.00	7,452.00
9	G.E. 2567-712 Tub Clk Wht	1,070	6.33	6,773.10
10	Duro TT1 Tub 'N Tile Sealer	4,631	1.38	6,418.57
11	Duro CC-8 Contact Cement	3,939	1.58	6,231.50
12	Duro TPX5 Epoxe 5 Glue	3,262	1.47	4,795.14
13	Boyl 8596 P1 Wood 1-1/2 oz	3,491	1.34	4,691.90
14	Duro HC12 Household Cement	4,565	0.98	4,473.70
15	Boyle 8595 P1 Wood Tube 8	4,505	0.95	4,288.76
DUPONT PAINT				
1	50 White Gal	11,556	16.24	187,675.21
2	2386 Ceiling Wh Gal	8,576	13.32	114,270.91
3	1699 White Gal	4,465	17.39	77,637.42
4	2360 White Gal	5,618	13.32	74,857.04
5	2329 Antique Wh Gal	3,940	13.32	52,480.80
6	1800 White Gal	2,451	17.39	42,622.89
7	2331 Clas Cream Gal	1,975	13.32	26,307.00
8	2361 Miss Ivory Gal	1,931	13.32	25,720.92
9	2342 Nat Beige Gal	1,928	13.32	25,680.96
10	2379 Oyster Wh Gal	1,669	13.32	22,231.08
11	2321 Dove Blue Gal	1,492	13.32	19,873.44
12	1629 Antiq White Gal	1,103	17.39	19,181.17
13	1699 White Qt	3,269	5.83	19,064.81
14	2388 Spring Grn Gal	1,384	13.32	18,434.88
15	2389 Alice Blue Gal	1,324	13.32	17,635.68

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PRODUCT MOVEMENT AUDIT

Strong Biz

(Continued from page 52)

lets and other accessories. Category sales as a whole have grown in the past two months, but volume positions on the list are consistent with a year ago.

In basic locks, the market has leveled off and has become a replacement business. When consumers shop for home security hardware today they tend to look at the newer electronic systems.

Another category to grow this past year was batteries. Today the category is shifting from a nine-volt to more of an AA-battery business.

AA batteries have moved to the top of our inventory volume list in the past year, a result of the large number of consumer electronic items in the market using this size battery.

New products have helped stimulate some sales in caulks. Energy savings and consumer demand for easy-to-use products have led to an increase in sales of caulking material that

(Continued on page 54)

FACT: The barbeque department should be making money for you whenever your customers are cooking outdoors—in some areas, that's year-round! Weber's Dynamic Season planograms adjust the *size* of the department to the time of year, region of the country, type and size of store... they even account for the mosquito season for The Web bug killers. Your Weber Reps can help you with a complete, month-by-month selling plan that tells you when to expand your floor space, when to contract it, what merchandise to feature, and when to promote. Ask!

FACT: Weber works in just about *every* kind of store you can think of. In 1984, the Weber line will be making money for supermarkets, catalog showrooms, discount stores, variety stores, drug stores, department stores, hardware stores, lawn and garden stores, sporting goods stores—even appliance stores!

FACT: Nobody knows more about the ins and outs of selling barbeques than #1.

FACT: Nobody gives you more, from heavy network TV to a comprehensive program with detailing help, Dynamic Season planograms, display ideas, window banners, header cards, P.O.P. materials, in-store demonstrations and more!

abc NBC CBS

FACT: At Weber, we got to be #1 by helping retailers succeed with our products. And helping you succeed is what's going to keep us number 1.

weber®

#1 and that's a fact.™

Visit us at the August Hardware Show—Booth M-109.

Super Valu Net Rises 21% in Qtr.

MINNEAPOLIS—Super Valu announced a 21% increase in net income and a 15% improvement in sales for the first quarter of fiscal 1984 at its annual stockholders' meeting here recently.

Super Valu is the parent of Green Bay, Wis.-based Shop-Ko, the 36-unit chain of discount department stores with sales of $395.9 million for its last completed fiscal year, ended Feb. 26.

By fall 1983 ShopKo will enter three new markets—Lincoln and Grand Island, Neb. and Sioux City, Iowa.

"With these new stores and ShopKo's attention to serving the needs of its customers completely and at the lowest price, we are confident of ShopKo's future," said Super Valu chairman and ceo Mike Wright.

Wright reported Super Valu's first quarter sales for fiscal 1984, ended June 18, at $1.7 billion, compared to last year's $1.5 billion. Net income for the quarter totaled $22.5 million compared with $18.5 million the previous year.

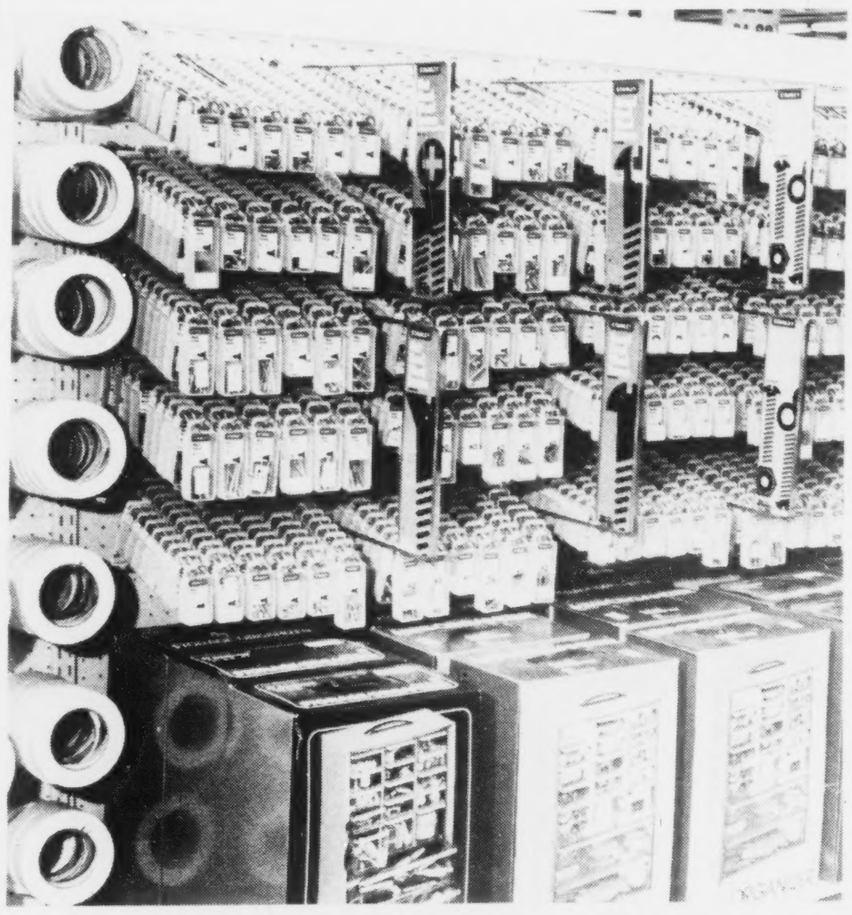
"We see a future that, while filled with challenges, has never looked brighter," stated Wright.

DH Dividend

MINNEAPOLIS—The board of Dayton Hudson Corporation announced a regular quarterly dividend of 15¢ per common share. This follows a previous announcement of a 2 for 1 stock split.

The dividend is payable Sept. 9 to shareholders of record Aug. 19.

HARDWARE



The basic hardware business, like nuts, bolts and nails, has risen 18% from last year, typifying the increase in consumer spending. T.G. & Y. in Edmond, Okla., devotes a good portion of a gondola run to this business. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MISCELLANEOUS HARDWARE			
1	Ferm #500 6x8 Shelf Brakt	13,031	0.39	5,108.15
2	Ferm #500 8x10 Shelf Brkt	8,097	0.50	4,080.89
3	USM 203 Glue Gun	367	10.36	3,802.12
4	Ferm #500 10x 12 Shelf Brk	4,722	0.80	3,768.16
5	USM K110 Pop Rivetool	398	9.18	3,655.23
6	Westl 8108 Coat Hook Brass	3,240	1.08	3,492.72
7	Ferm CD556 7-1/2 x 10 Blk B	2,200	1.40	3,080.00
8	Wesl 850B Window Los Bras	1,890	1.08	2,037.42
9	USM S-44 Rivets Steel Md	1,820	1.09	1,987.44
10	Bran 583XC Door Guard	950	2.02	1,915.20
11	USM 220 Ali Purp Glue	948	2.00	1,897.90
12	USM CD4SD Molly Fastner	1,900	0.91	1,729.00
13	USM CD4S Molly Fastner	2,320	0.67	1,559.04
14	Modn 35118 Galvanized Wir	1,092	1.41	1,544.09
15	USM S-42 Rivets Steel Sh	1,350	1.09	1,474.20
	CAULK			
1	DAP 6 oz Kwikseal Tub Caulk	7,391	1.86	13,762.04
2	DAP 11465 Acry Latex Caulk	4,403	2.00	8,814.81
3	DAP PT Vinyl Spackle Pst	3,616	2.00	7,232.00
4	DAP 11240 Relyon Caulk	7,740	0.84	6,501.60
5	DAP Qt. Vinyl Spakl Paste	2,296	2.83	6,493.09
6	DAP Rely-on Latex Tube	5,850	1.10	6,470.10
7	Full 195-21 Max Bond	3,638	1.76	6,417.43
8	DAP Pt. 33 Glazing Compound	2,793	1.93	5,396.07
9	DARW J20 Cart. Polyseamsl	1,280	2.91	3,727.36
10	DAP Acryl Latex W Si Lic	1,389	2.62	3,636.40
11	DARW 4 oz J-6 Polyseamsel	2,008	1.81	3,626.45
12	DAP Acryl Latex Caulk Br	1,680	2.00	3,363.36
13	DAP 1/2 pt. Vnyl spkl pst	2,364	1.29	3,049.56
14	DARW 7.6 oz J-12 Polysmsl	1,092	2.74	2,996.45
15	FULL 198-21 Power Grip	1,153	2.45	2,824.85

Source: Schreiber, hard goods distributor, Lititz, Pa., for June 1-30, 1983. covering 600 discount stores in 19 mid-Atlantic and East Coast states. Average retail prices reflect typical price points for discount chains.

PMA®

PRODUCT MOVEMENT AUDIT

Strong Biz

(Continued from page 53)

can be applied directly to surfaces without the use of a caulking gun.

We are now carrying the DAP Ready-to-Caulk aerosol that sprays directly onto surfaces. Although the item hasn't reached the top 15 list, the convenience and the $3 or $4 consumers save by not having to buy a caulking gun will make the item hot.

In stains, significant growth was due to more manufacturer advertising, hammering away at the idea that stains are easy to use. Consumers are responding to the category and staining kits are seeing action.

While the kits don't appear in this PMA, we anticipate that staining kits will become a big part of the category's business within the next 12 months.

Stain sales, which grew 25% since last year, should grow at the same rate by next June, as consumers continue to do more of this work on their own.

How to maximize your profits in planterware sales

STRATEGY NO. 1

Stock 40 or 50 SKU's of the fastest-selling decorator plastic planters to maximize your profit yield per foot. Match your merchandise to your customers; continually weed out slow sellers, and add new sizes, styles, and colors, to achieve the optimum product mix for your store. Keep in mind that the average number of plastic planters per household has increased 230% over the past 7 years, and will continue to increase.

STRATEGY NO. 2

Stock more of the larger size plastic planters. Research shows that large containers have grown in sales more than the medium and small sizes because 77% of plant owners buy new planters for repotting plants that have outgrown their present containers.

STRATEGY NO. 3

Buy Garden Scene® planterware from the one company that helps you sell-through. Duraco Products supplies you with more than a full line of quality planterware. We stand behind you with new market research statistics, and the commitment to increase your bottom line profits.

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Write or call for our full line brochure, and for more ideas on marketing Garden Scene® planterware.

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Discount Chains Increase Imports Of Automotives

WASHINGTON—A recent upsurge in discount chain purchases of foreign-made automotive parts and accessories has contributed to a steady increase in the level of imported car batteries, headlights and ignition equipments since 1979, Federal international trade regulators found.

A new study released by the International Trade Commission shows that the value of these imports climbed 18% to a record $480 million during the 1979-82 period, with most of the gain reflecting increased shipments from Japan and Canada.

Last year, the I.T.C. statistics indicate that imports accounted for nearly 8% of the $6.3 billion spent by American motorists on batteries, lights and ignition equipment. One reason for the growth of foreign auto parts has been the "influence of discount chains" which tend to "shop more widely for these parts," an I.T.C. official said.

Wickes Negotiates Sale of Toy Chain

SANTA MONICA, Calif.—Wickes is negotiating the sale of its 45-unit Toy World specialty store chain with at least one unidentified retailer.

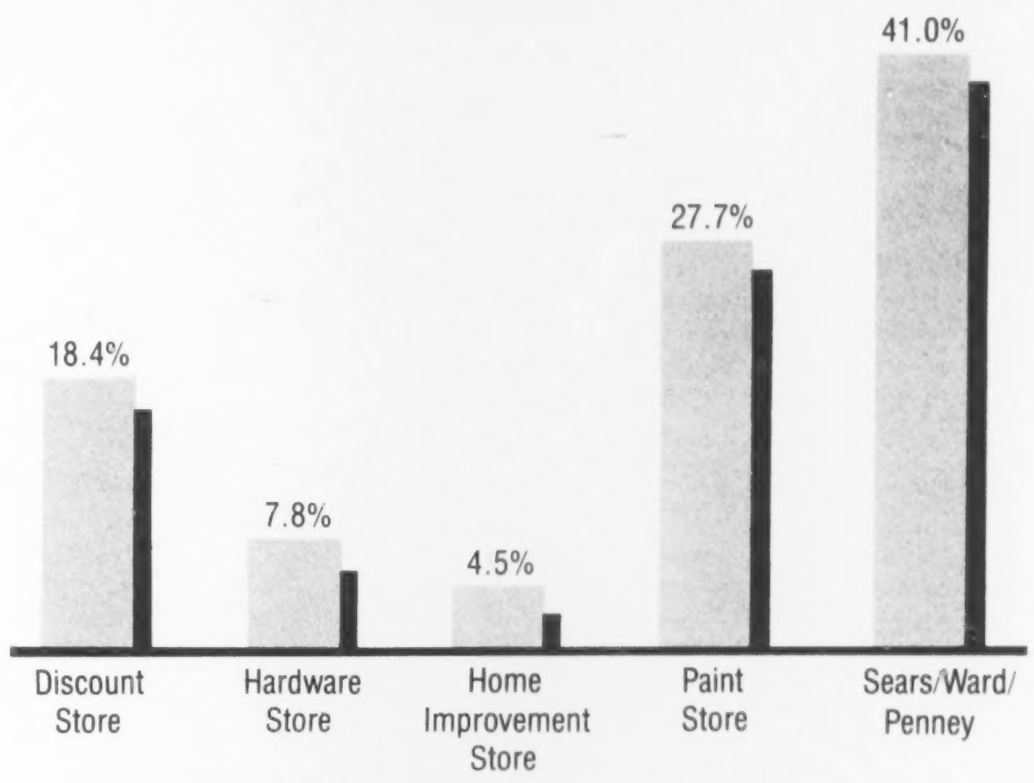
If Wickes, which is in Chapter XI, doesn't find a buyer for the $24.4 million toy chain it will liquidate that operation.

A Wickes spokesman said no deadline has been set for either the sale or liquidation of Toy World.

Toy World stores are in major shopping centers and malls in California, Arizona, Nevada and Utah.

HARDWARE

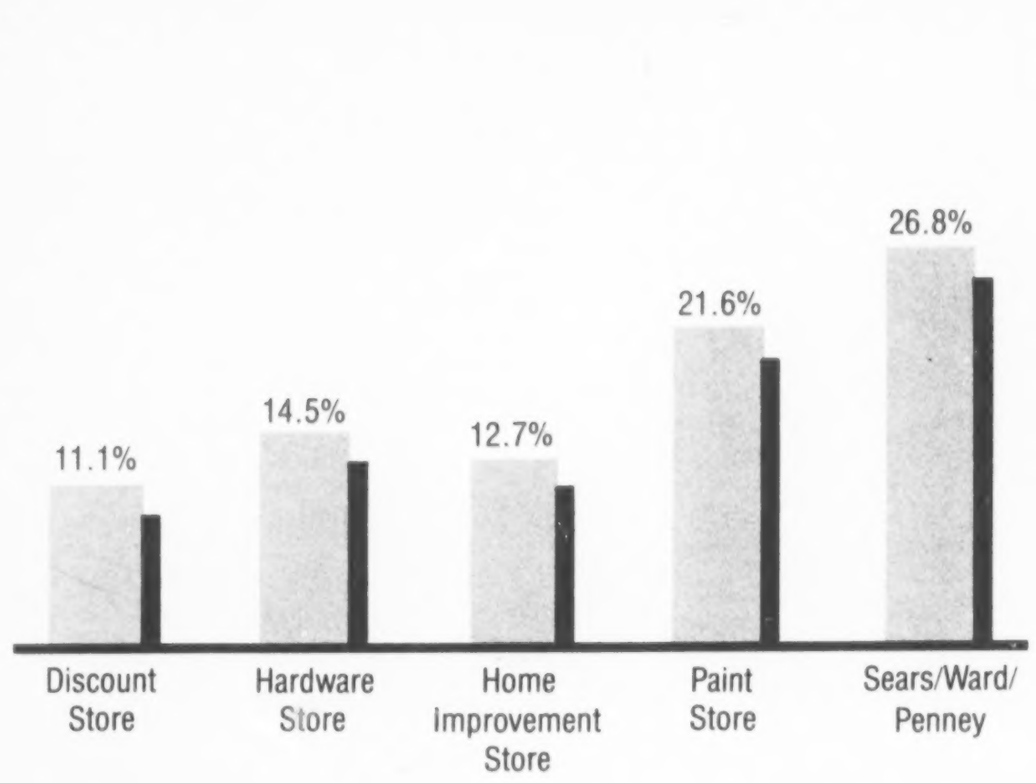
Where Consumers Shop For Interior House Paints



Source: 1981 Frost & Sullivan Study

Consumers say the main factors in selecting a retailer for interior paint are price, assortment and shopping convenience. Women select the brand of paint 37.2% of the time; their husbands do so 25.3%.

Where Exterior Paint and Stains Are Purchased



Source: 1981 Frost & Sullivan Study

While a leading retailer of interior paint, discounters don't fare as well in exterior paint and stains. They evidently aren't meeting consumer preference for preferred brands, good pricing and convenience.

COSCO IS STEPS AHEAD OF ALL THE REST.

Cosco is the leader in step stools. With more years of experience than all the major competitors combined. Cosco offers unsurpassed quality and the most complete line you'll find anywhere.

But we don't stop there. We're taking steps to make your selling easier. With new and innovative self-sell, six-pack merchandisers. Ready to use with four color point-of-sale.

Keep in step with Cosco.

DIYer Lives Longer in Same Home

NEW YORK—The average do-it-yourselfer in 1983 is living in the same home longers, most likely resides in a Snowbelt state and is middle-aged.

These findings were released by Frost & Sullivan at its eighth annual conference on the home improvement product market. Statistics for the study were compiled by Simmons Market Research based on interviews in 15,000 households. Findings for the study, conducted in 1981, were just released. A spokesman for Frost & Sullivan said it was the first such study to be done on the DIY consumer. Previous company projects focused on DIY merchandising.

Michael Kadish, a spokesman for Frost & Sullivan, which interpreted the data, said the major finding of the study was that most consumers who did work in their homes occupied those dwellings an average of five years, instead of the previously believed two.

The Reason Why

The reason: high interest rates during the compilation of the study forced consumers to stay in their homes longer, and therefore spend more money to enhance their present living environment instead of trading up to a new home.

Also significant, said Kadish, was a finding that more of the DIY population resided in the northern Snowbelt states, instead of the Sunbelt region, long believed to be the core of the home products industry.

The study also found that an overwhelming 48% of the DIY market lived in a suburban area, compared to 22% in the city and 30% in rural areas.

Age seems to be another changing factor, said Kadish. The previously believed 22-44-year-old market segment is increasingly giving way to the 30-55-year-old group.

"This is an extremely good sign for the do-it-yourself industry, considering the aging of the population of the United States," said Kadish.

(Continued on page 57)

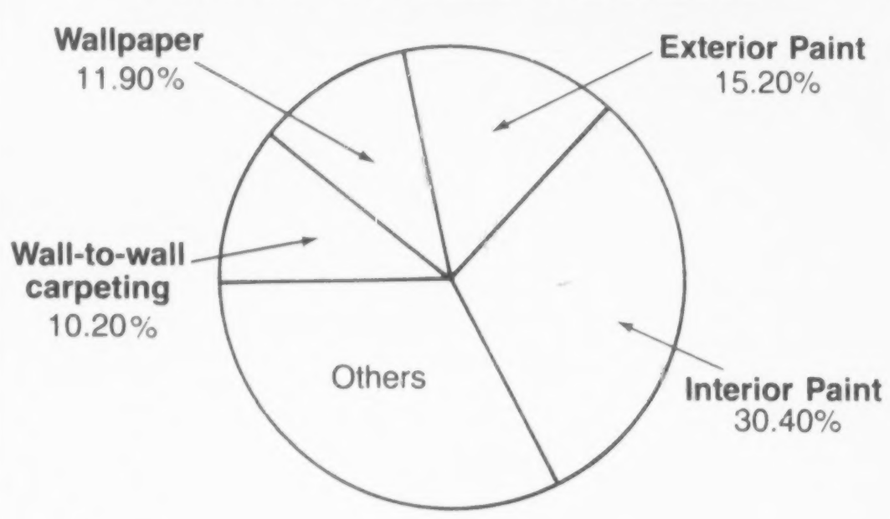
HARDWARE

Profile of Interior Paint and Stain Consumers

Purchasers	% Consumers	Total (Population)
Age:		
18-24	16%	18%
25-34	26	23
35-44	18	16
45-54	16	14
55-64	13	14
65 or older	11	15
Education:		
Grad College	18	16
Attend College	18	17
Grad High School	42	38
Did not	22	29
Household Income:		
$40,000+	15	12
30,000+	33	26
25,000+	46	37
20,000-24,999	14	12
15,000-19,999	12	13
10,000-14,999	17	20
under 10,000	12	18
At Present Address:		
under 1 year	12	16
1-4 years	28	28
5-10 years	23	21
11+ years	36	35

Source: 1981 Frost & Sullivan study.

Decorative Product Purchases



Item	1981	1982
Interior Paint	31.30%	30.40%
Exterior Paint	16.80	15.20
Wallpaper	12.30	11.90
Wall-to-wall carpeting	11.30	10.20
Wall paneling	5.20	5.60
No-wax sheet vinyl	5.60	3.90
Indoor-outdoor carpeting	2.50	2.50
No-wax floor tile	4.30	2.50
Other floor tile	2.90	1.80

Source: 1981 Frost & Sullivan study.

Stain Without Strain

As the ease of staining becomes more apparent to consumers, discounters foresee an increase in sales. Caldor, Baltimore, promotes its latex redwood stain at $6.19 a gallon through an endcap display. *(DSN photo)*

DIYer

(Continued from page 56)

The study revealed that 89% of the United States population will buy some type of home-improvement product during the year, the majority of those purchases being of paint. The breakdown is: 17%, exterior paint; 31%, interior paint, and 41%, other home improvement products.

Another factor in the DIY market for the 80's is the increased importance of the female buyer. More female-only households are participating in the DIY boom, and retailers and manufacturers will have to redirect their marketing to this emerging group.

Other findings from the report were:

- As people increase their education, their interest in DIY hasn't dissipated, as was generally thought. The primary market rests with those who graduated from high school, at 44%, and those who attended and graduated college, with an 18% market share each.
- In the occupation category, the dominance of blue-collar workers in the DIY market still was true, although managerial and professional people rose to a 22% market share. The largest market segment continued to be those "not employed," a category which includes the unemployed and retired. Kadish said the study results show these people had more time to work around the house.
- Middle-income households continue to buy the largest percentage of home-improvement products with a 26% market share. However, the under-$15,000 category, once discounted by the industry, has pulled to within 1% of the leader. The under-$15,000 earners, believed out of the DIY market because they didn't own their own homes, form a growing category because of work being done around the apartment.

K mart Dividend

TROY, Mich.—K mart will pay a 27¢ per share cash dividend Sept. 12.

The dividend will be paid on outstanding shares of the corporation's common stock to holders of record on Aug. 19.

BLU-TACK REUSABLE ADHESIVE.
THE STATIONERY OBJECT THAT MOVES.

Blu-Tack is the easy to use alternative to tacks, tapes, pins and staples. It'll hold up posters, notes, decorations, snapshots, practically anything without damaging walls, like tacks or pins can.

And soft Blu-Tack will get hold of your customers like no other adhesive. Because it's fun to use. It can be removed, rolled up and used again and again, making it economical, too. Non-toxic and safe for kids, Blu-Tack has hundreds of other uses at home, in the schoolroom or at the office. It's a unique way to complete the stationery lines you already carry. And with the support of our TV and print advertising, it will be the unique item your customers look for.

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Bostik
CONSUMER DIVISION
Reading, PA 19605 EMHART

Nonrefillable Ballpoints, Markers Gain

Product	1982 Units	1982 Dollars	1981 Units	1981 Dollars
Fountain Pens	9,484,000	$ 30,823,000	10,860,000	$ 33,041,000
Ballpoint Pens				
Refillable	719,610,000	215,804,000	765,540,000	223,380,000
Nonrefillable	1,276,000,000	134,061,000	1,224,000,000	127,564,000
Roller Pens	142,208,000	65,320,000	147,608,000	66,400,000
Porous Point Pens				
Writing Pens	426,807,000	132,317,000	470,650,000	137,500,000
Coloring Pens	135,640,000	11,922,000	145,230,000	11,165,000
Markers	207,320,000	51,253,000	201,420,000	47,900,000
Mechanical Pencils	77,102,000	68,127,000	78,306,000	69,625,000
Desk Pen Sets	2,608,000	9,700,000	3,521,000	12,104,000
Other*	—	51,000,000	—	53,000,000
	2,996,779,000	$770,327,000	3,047,135,000	$781,679,000

**Estimates partially based on Bureau of Census data. Includes refills for ballpoint pens, fountain pens, and for roller pen instruments, pen points, refill leads, and other items not intended for assembly or resale by another manufacturer.*
Source: Writing Instrument Manufacturers Association.

WIMA Eyes Comeback in 1983

WASHINGTON—The poor health of the nation's economy was blamed for a decline in sales of mechanical writing and marking instruments in 1982, according to a survey by the Writing Instrument Manufacturers Association.

Total unit sales in 1982 were 2,996,779,000, compared to 3,047,135,000 in 1981. Dollar volume declined to $770,327,000 in 1982, compared to $781,679,000 in 1981.

"The industry has finally caught up to the disastrous economic conditions," said Carlos Castillo, president of the association. "It had to come."

But, Castillo said that with the 1983 economy showing signs of a recovery, "we can look forward to resumption of our upward progress."

Board Games

(Continued from page 32)

he talks about sales prospects on such new entries as Pole Position, Masters of the Universe and Sarlacc's Pit licensed board versions.

In addition to Care Bears and Trivial Pursuits, a new adult entry that's retailing nationally for $26-$30, Ames' Springer likes the chances of upcoming Leverage, Exit and Option games. He also cites renewed interest in Chutes and Ladders, Candyland, Risk, Monopoly, Scrabble, Sorry, Clue and Payday. His chain's Smurf and Strawberry Shortcake board game sales are weak.

Keeping a hawk eye out for its best performers, Ames this year has begun enforcing front-face merchandising of the 70 different board games it carries. "The impact is much greater than laying games flat," says Springer, who is willing to invest the space to spark impulse sales. Ames uses another tactic for similiar effect, dubbed "your choice" whereby it advertises several of a manufacturer's games at one sale price in its chainwide mailing circulars. With most Ames stores in secondary markets—marked by little keen price competition and high distribution costs—the chain takes the liberty of 40% gross margins on most board games.

For all the segment's promise, however, B&I's Seward contends that board game manufacturers may be their own worst enemies. "With few exceptions, the games are too faddish, not strategy-oriented; they lack originality and particularly the board versions of arcade games are just not that much fun to play," she says.

DH Foundation Approves Grants

MINNEAPOLIS—The Dayton Hudson Foundation has approved more than $1.4 million in community grants.

Fifty-four grants worth over $1.2 million were given on behalf of B. Dalton Bookseller, Dayton's and Target stores. An additional $126,000 donated by Target will be used to benefit the arts.

We really make this perform...

Because we're the No. 1 replacement plug in cars from Ford Motor. And Chrysler Corporation, AMC, Datsun, Toyota, Honda, Mazda, etc., etc., etc.

We can make your cash register perform like no other brand for one very good reason: More motorists prefer to have Champions in their cars—domestic or import—than any other brand. And that includes a whole lot of cars that were *not* originally equipped with Champions.

CHAMPION PUTTING PERFORMANCE BACK IN YOUR BUSINESS

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PEAK'S NASCAR SPONSORSHIP MEANS HIGH VISIBILITY AND RECORD-BREAKING SALES FOR YOU.

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PROVEN IN NASCAR'S QUALIFYING HEAT.

At speeds of up to 200 miles per hour for three straight hours, these cars build up an incredible amount of engine heat. So when it comes to their coolant, professional drivers don't gamble. Their cars make them too much money.

And this year, PEAK can do the same for you.

A TOUGH PERFORMER OFF THE TRACK AS WELL.

PEAK's NASCAR endorsement and other special promotions add up to increased traffic for you. Banners and other point-of-sale materials bring the excitement of NASCAR racing to your store displays.

And PEAK's co-op programs are among the best in the automotive aftermarket industry. In some instances you can get better than 100% reimbursements!

Specially designed early buys and traffic building programs are yours for the asking. Call your PEAK representative or Fred McLouth toll-free at 1-800-228-2300, and get on the fast track to winning sales.

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See Special Section: Pp. 19-36

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THE NEWSPAPER OF DISCOUNT RETAILING

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Seedman, 86, Keeps Firm Control As He Takes TSS-Seedman's Public

By ARTHUR MARKOWITZ

BROOKLYN, N.Y.—Octogenarian George J. Seedman is still spurring the growth of the company he founded 54 years ago.

His latest move is taking TSS-Seedman's—the $175 million company he launched as an auto supply store in 1929 in the height of the depression—public in an offering that will raise about $30 million.

Seedman, 86, said he had "no plans to retire at the moment, but it all depends on future events, naturally."

The decision by the highly respected merchant firms up the short-range prospects of the 23-unit discount and specialty store company that was renamed (from Times Square Stores) in his honor in April. But it still leaves unanswered the long-term outlook for the company he has ruled with a strong hand since Day One.

George Seedman and his company are so closely intertwined that he is both its strength and weakness, a number of sources said.

These sources, in tones of admiration for his accomplishments, were quick to list Seedman's contributions to TSS-Seedman's. They include:

- Almost single-handedly managing the company's survival in the highly com-

(Continued on page 50)

TSS-*Seedman's*

"Adequate plans have been going on here for several years to replace people as they retire."—*George Seedman, chairman, ceo, TSS-Seedman's.*

Founder Says $30M Offering Is Unlikely to Spark Takeover

BROOKLYN, N.Y.—Past attempts by other retailers to acquire TSS-Seedman's when it was a private company aren't likely to be any more successful now that the $175 million retailer is going public, founder and chairman George J. Seedman believes.

Once the approximately $30 million stock offering is completed, "we will still have substantial control," Seedman said. Associated Dry Goods, parent of Caldor, a major suitor of TSS-Seedman's in the past, "certainly couldn't" buy enough stock to take control, he added.

The offering's red herring prospectus seems to bear out Seedman's optimistic outlook—but it also shows why TSS-Seedman's is considered a likely long-range takeover prospect by trade observers.

The chain's attractiveness is aided by its status as the major discounter in the Long Island and Brooklyn-Queens portion of the metro New York market, with 11 stores. (The chain also has a twelfth metro New York store, opened last year, in the Bronx, and six stores in Puerto Rico.

(Continued on page 50)

1st L.A. Show Week For Ladies' Apparel To Attract Discounters

By MARILYN NEERMAN

LOS ANGELES—Discounters are heading west and going to CAMP in October.

"This new idea for having an official market period for women's wear in California is a super one," said Hy Zalesnick, vp, merchandising for Ann & Hope.

Merchants from Bradlees, Rose's, Gold Circle, Grand Central and others second the motion. They're planning to attend the first official budget buyers' market weeks, Oct. 17-28, 1983, in Los Angeles. The exhibition was established by the newly formed Los Angeles-based trade association California Apparel Manufacturers Productions, using the acronym CAMP.

Officially organized in June, CAMP now consists of about 85 California women's and children's apparel manufacturers, in budget and "main floor" price ranges, whose goal is to lure more buyers into the California market.

CAMP's major method for accomplishing this is organizing four official budget buyers week periods a year—in October, January, April and June.

The market week concept, it is expected, will eliminate the list of problems—for buyers and California manufacturers—associated with the traditional buckshot scheduling of buyers trips to Los Angeles.

Dorothy Jones, head of the Atlas West buying office and the CAMP's retailers' committee, said: "Buyers' response has been even better than anticipated. One of the Los Angeles market's problems was that buyers never knew when to come out here. Manufacturers weren't ready at the same time; their principals were away, usually in their New York offices. Buyers became more and more

C.A.M.P.

frustrated about coming out to Los Angeles, so more and more manufacturers opened offices in New York. It was a vicious circle.

"We have to bring that feeling of excitement about the California market back to California. Buyers can't properly work the California lines in New York. You just don't get the feel of the trends in a market unless you work with manufacturers on their own turf. You can't work a New York-based line right in Los Angeles or Dallas either."

Discounters noted that California manufacturers were hurt by the shuttering of the Los Angeles regional offices of such chains as Lerner Shops, The Treasury, Gold Circle, Sears

(Continued on page 49)

Digest

Sept. 5, 1983

HOUSEWARES

- **The 10 new Bradlees show** more innovations in housewares merchandising. (p. 7)

HARDWARE

- **Paint sundries get more** space, benefiting early from the economic recovery. (p. 11)

AUTOMOTIVE

- **Automotive sales will rise** 10% this year, buyers predict, despite the boom in new-car sales. (Special APAA show section, pp. 19-36)

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Fall Apparel Is Upgraded By K mart

TROY, Mich.—K mart is still cutting the pattern for its new look in women's apparel.

A check of the women's fall apparel scene in two New Jersey stores shows the chain expanding on two fronts by continuing to build up brands through its "names for less" program and launching a new private label name.

But on a third front—its Jonathan Logan line—K mart has trimmed its assortment for fall.

Visits to stores in Lodi and Paramus, N.J., where the Jonathan Logan program debuted last fall, revealed a retrenchment from last year's gala introduction of the label now sold exclusively by the giant discounter. Career wear has been dropped from the line.

In the fall of 1982 Jonathan Logan was introduced as the

(Continued on page 49)

Automotive Stays in the Fast Lane

Discounters like Jefferson Ward, North Miami Beach, Fla., are betting heavily on continued growth of automotive sales. Buyers nationwide project a 10% overall department increase this year. For more on the hottest segments, see pp. 19-36.

HARDWARE

PRODUCT MOVEMENT AUDIT

Space Up For Paint Sundries

By ARNOLD REINHARD
Director of Sales, Schreiber Company

Discounters are adding more square footage to their paint sundries areas as margins continue to grow on items like paint brushes, tapes and solvents. The upturn in consumer spending and the rise in new housing starts have breathed some new life into the home improvement business.

In areas like electrical and plumbing, even though sales are up as much as 20%, a lot of consumers are afraid to tackle such jobs themselves. But that's not so with painting. They have no fear of hurting themselves, and it's a relatively easy job.

While paint sales themselves have gone up, discounters are in many cases adding linear feet and better point-of-purchase displays to their sundries departments. There is virtually no money to be made selling the paint itself, but margins for sundries usually hover around 50%.

A factor having a strong effect on the sundries market is the amount of female shoppers coming into the stores. Either they were sent with a shopping list from their husbands, or they are the head of the household and are making the decisions. But, they are the actual consumer in the sense that they spend the money.

You would be surprised at the number of discounters advertising and signing the goods to reach this demographic group.

In solvents, much of the movement still seems to be in quarts of paint thinners and turpentine.

Consumers have more selection, too, because they can pick many of these items in paste or liquid form.

With average retail prices in the $2-$4 range for quarts, most consumers stick with them rather than going after larger gallons or pints. A gallon, even though the pricing may be a bit better, is still considered too much product for one job. A pint, on the other hand, is considered too little.

In paint removers, a Red Devil gallon of paint remover, average retail $5.37, was a surprisingly low seller. I think nonflammable on an item's label tends to be a turnoff to many consumers who think the product has less potency. The fact is many consumers do their paint removing outdoors and don't really have any fears of heat or fire causing combustion.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PAINT REMOVERS			
1	Savo Gal Strypeeze	1,142	11.15	12,733.87
2	Savo Gal Kutzit	984	10.06	9,901.99
3	Mast TM4 Gal Paint Remover	599	15.49	9,276.11
4	Savo Qt Strypeeze	2,514	3.67	9,222.61
5	Savo Qt Kutzit	2,470	3.31	8,165.82
6	Mast TM4 Qt Paint Remover	1,505	5.22	7,856.10
7	Mast TM4 Pt Paint Remover	1,398	3.44	4,804.23
8	Savo Pt Kutzit	2,196	2.09	4,585.25
9	Savo Pt Strypeeze	1,968	2.32	4,565.76
10	Savo Super Strip Qt	924	4.18	3,858.62
	SOLVENTS			
1	Loos Qt Paint Thinner	7,108	1.71	12,161.79
2	Loos Gal Paint Thinner	1,853	5.03	9,323.37
3	Loos Qt Turpentine	2,910	2.23	6,498.03
4	Loos Pt Turpentine	2,759	1.36	3,760.52
5	Loos Gal Lacquer Thinner	543	6.13	3,330.49
6	Loos Creosote Oil Gal	558	5.73	3,195.95
7	Loos Gal Turpentine	400	7.08	2,830.40
8	Loos Qt Lacquer Thinner	1,385	1.95	2,711.14
9	Loos Pt Lacquer Thinner	1,679	1.23	2,069.37
10	Loos Gum Turpentine Qt	696	2.93	2,038.58

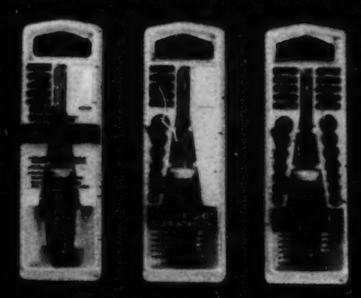
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TAPE			
1	Bulk 5180 Duct Tape 2"	3,827	4.98	19,089.08
2	Bulk 2" Mask Tape 6231	7,270	1.91	13,914.78
3	Bulk 275B Mask Tape ¾"	18,036	0.67	12,030.01
4	Bulk 275B Mask Tape 1"	11,007	0.87	9,576.09
5	Bulk 1½" Mask Tape 6231	6,573	1.33	8,768.38
6	Myst M959 Carpet Tape	2,454	2.70	6,618.44
7	Myst M6480 Filament Tape ¾"	3,696	1.62	6,002.30
8	Myst M918 Duct Tape 5 yd	3,336	1.39	4,643.71
9	Myst M958 Fil Strap Tape	1,236	2.02	2,491.16
10	Myst M969 Cloth Brown	2,310	0.97	2,244.17
	PAINT APPLICATORS			
1	Pama 5041 Latex Pan and Roller	5,835	1.96	11,422.01
2	Pama 1031 9" twin pack	7,522	0.98	7,416.69
3	Pama 8130 3" Polyester	2,398	2.52	6,050.15
4	Pama 1033 9" Tri Pack	4,777	1.22	5,818.39
5	Pama 950 9" Roller Handle	3,017	1.68	5,074.59
6	Pama 505 5-pc Roller and Tray Set	1,069	4.50	4,805.15
7	Pama 8130 2" Polyester	2,399	1.69	4,054.31
8	Pama 905 9" Roller Cover	2,229	1.74	3,878.46
9	Pama 8130 1.5 Polyester	2,754	1.29	3,554.04
10	Pama 8160 2" Polyester	1,319	2.45	3,289.59

Source: Schreiber Company, hard goods distributor, Lititz, Pa., for June 1-30, 1983, covering 600 discount stores in 19 mid-Atlantic and East Coast states. Average retail prices reflect typical price points for discount chains.

Introducing Stanley's new Workmaster Ratchet Screwdriver.

One look tells customers this is no ordinary screwdriver. It's more like a whole toolbox that fits in one hand. A Phillips screwdriver. A slotted screwdriver. A ¼" nut driver. A socket driver. A complete fastening system. All built around a rugged, smooth-working ratchet that goes from "tighten" to "loosen" to "lock" with a flick of the thumb. To make any driving job go fast and easy.

It could even drive your sales figures right off the charts. The multi-purpose design is perfect for economy-minded DIY'ers and professionals, too. It boasts Stanley quality from tip to tip: chrome-plated steel shaft, rust-proofed driver bits, and Stanley's high-torque Workmaster handle, with built-in bit storage.



The Workmaster Ratchet Screwdriver is available in 6, 14 or 26 piece sets.

There's a thermoformed case to keep ratchet, bits and optional sockets snugly in place. Plus a complete line of specialty bits and sockets, to keep customers turning back to you for more.

And the Workmaster Ratchet is priced low enough to turn heads. So it's more than the right tool for the job. It's the right tool for the times.

For information, see your Stanley representative, or write Stanley Tools, Division of The Stanley Works, P.O. Box 3000, New Britain, Connecticut 06050.

STANLEY
helps you do things right.

1983 Stanley Tools, Division of The Stanley Works

AUTOMOTIVE

Buyers Eye 10% Biz Gain For 1983

By AL HELLER

The recent surge in new-car sales—however sizzling it may be—is having little impact on the rapid rings of discount automotive cash registers.

With many domestic cars on the road nearing middle age, their owners are mixing a dash of tender loving care and do-it-yourself maintenance to keep them humming.

These car ownership trends are reflected in a polling of chain buyers by *Discount Store News*. Automotive buyers expect overall department sales to rise 10% this year—with growth being led by DIY segments like chemicals and replacement parts, and comfort items like seat covers and stereos.

Growth rates will vary by market—with the most impressive gains anticipated in southern California.

A Grand Auto specialty chain spokesman described that robust region: "The economy is rebounding quickly; we're loaded with high-tech industries and have a huge military market. There's huge registration of cars here, and consumers are very accepting of automotive promos and advertising."

For the rest of the nation, prospects also look strong. A recent survey by the Automotive Market Research Council, an Ohio-based membership corporation, points to steady growth in the category for the next four years, fueled by 1.5% annual boosts in the number of cars on the road.

Cars will be older and generally smaller. Do-it-yourselfers will help spark a 2.6% annual growth rate in replacement parts, excluding fuel and oil. Chemicals, positioned as easy-to-use DIY items, will also benefit from this trend of greater car care maintenance.

Sales of car-comfort items like stereos, seat covers and selected accessories will improve as people become more attached to their autos and turn them into mini-mobile homes.

Service centers are another promising avenue for lifting department sales. "New cars are so complicated under the hood that it's difficult for people to still be do-it-yourselfers," said ALCO automotive buyer Lott Smith.

Still, basic DIY provides strong support for automotive discount sales. Women loading 12-packs of oil into their carts are becoming a more common sight.

That leads to greater gift sales, believes Gaylords automotive buyer Joe Tarricone. "There's plenty of browsing and shopping to be done in our aisles," he said, referring to steering wheel covers, wire wheel covers and other accessories.

One major discounter in the Northeast noted "a near sellout" this past Father's Day, when it promoted the Black & Decker CarVac at $15.97. He said that 165 psi air compressors achieve 90% sell-through when promoted at $15.

But, discounters save some of their biggest accolades for seat covers and stereos—image-making gift items on which they take roughly 35% gross margins. "Even if people receive them as gifts, they often come to the store themselves to upgrade," said an Ames spokesman. He added that "price points on stereos of up to $200 don't mean a thing."

Ames converted that shopper enthusiasm into a year-to-year 30% auto sound sales boost during the first half of 1983. Backed by an ad in nearly every circular, Ames car sound systems sell briskly from 4-ft. freestanding Kraco displays set between the chain's automotive and record departments.

"People willingly pay for more features and better quality," the spokesman said, citing a boxed kit as Ames' best seller. Including a prewired AM-FM cassette player, speakers and power booster, the kit retails everyday at $99.99, and is advertised every third circular at $79.99.

At ALCO's 123 stores, auto sound sales rose 37% since the first half of last year. Sutura displays in all its stores, and Pioneer units in the 10 largest, sell systems for $33-$269, with specials moving well about once a quarter, said electronics buyer Dick Millner.

Like many discounters, he sees consumer preferences for high-end goods, has stopped selling 8-track systems, and provides no service or installations.

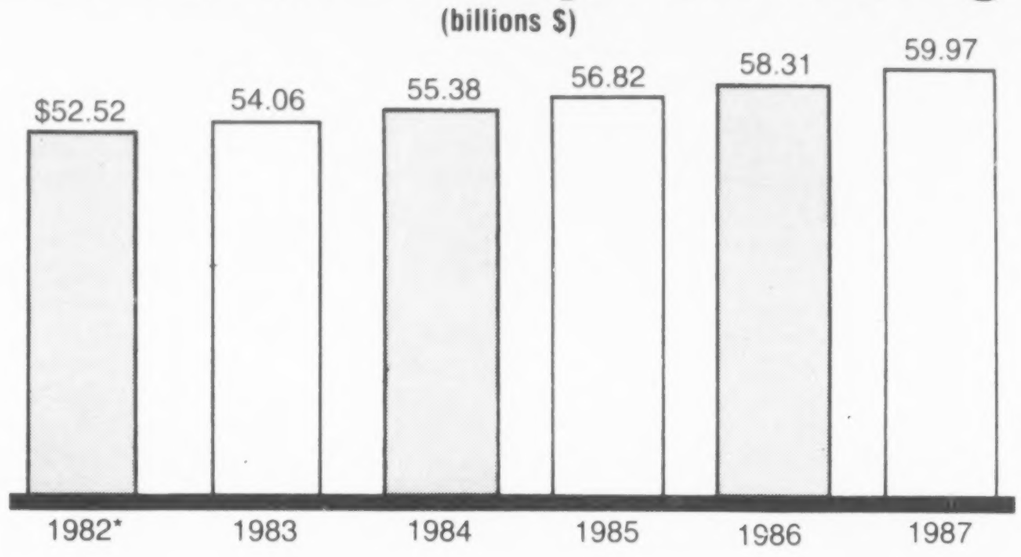
Among novelties, digital clocks are past their time and others have already saturated the market, buyers said.

However, sales of accessories like sun roofs and trailer hitches—which help give added space to small cars—should continue to grow as down-sizing of new cars continues. And

(Continued on page 32)

Aftermarket Keeps on Rolling

(billions $)



*Estimated
Source: Automotive Market Research Council

The Battle of the Names

Fronting the race track, pedestal battery display at upscale AIM for the Best, Bartlesville, Okla., conveys strong price-quality relationship between private label and Delco batteries. Parent T.G. & Y. has added the same display to many of its stores.

Since Dropping Name Brand in '81

Battery Sales Rise Tenfold At Ames Under PL Setup

ROCKY HILL, Conn.—By all indications, battery sales should be weak: new cars are selling like hotcakes, and mild weather has been kind under the hoods. But you wouldn't know it at Ames Department Stores, the 145-unit chain based here.

The discounter is getting a charge out of its battery performance—following a nearly tenfold increase in unit sales since revamping its merchandising program two summers ago. After boosting battery sales from 5,200 units annually to 50,000 in the year ended last August, Ames continues to sell at almost the same astounding clip.

Even more surprising, said an Ames spokesman, is that "neither K mart, Caldor nor Bradlees have copied us. They don't realize the potential."

What Ames did was boot out its Gould Scrambler line, having earlier shown Lee the exit. Ames went exclusively with a private label program chainwide, and began to buy its stock directly from Globe Batteries, a division of Johnson Controls, Milwaukee.

"Why do we need middlemen on batteries, when we can avoid the 5%-10% upcharge?" posed the Ames executive.

Globe gives Ames credits for trade-in batteries, based on prevailing lead rates, and provides a built-in 1% allowance for return of defective batteries. The chain gives customers prompt exchanges, less pro-rated charges, for date-coded batteries that are returned.

Ames Dependable batteries are hotly priced—with trade-in, $38.88 for a 36-month battery and $47.88 for a 60-month battery—and are the clinchers for highly profitable, freestanding displays set in main traffic aisles in all its stores. "We jam them on here," said the Ames spokesman, referring to high-margin battery cables, wire brushes, hydrometers and terminal ends.

One result: battery sales have been the department's growth leader for the past two years, nearly doubling its share of sales to 6.1% by the end of 1982. With Ames' store remodeling, enlarging auto sections to 1,000-1,200 sq. ft. from current 800-1,000 sq. ft. levels, prospects appear even brighter.

"People buying batteries want either the lowest price, if they plan to sell their car soon, or the best quality, if they're keeping their cars," said the Ames spokesman. "Middle lines don't sell that well." That's why Ames limits is battery selection.

However, it doesn't skimp on promoting the line. Its 8-ft.-long displays are surrounded by shelf talkers and vivid red, yellow and black hanging signs.

Ames also advertises batteries in its circulars about eight times a year—at sale prices that vary based on the volume the chain wants to do. With trade-ins, the Ames Dependable 36-month battery sells for $29.99 to $32.99, and the 60-month battery for $39.99.

AUTOMOTIVE

With Americans keeping cars longer, quality comfort and appearance items are selling more briskly. Cashing in on this trend, Richway in Broward Mall, Hollywood, Fla., prominently displays brand-name car mats and body paints. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Freon 14 oz	1.29	79,271	102,259
2	8-oz Armor All Protector	2.99	25,051	74,902
3	24 STP Oil Treatment 15 oz	2.29	25,843	59,180
4	Sup Hard Shell Pst-Kit	3.99	13,579	54,180
5	DuPont Rain Dance Pst 14 oz	7.19	7,221	51,918
6	Gumout Jet Spray	2.39	21,700	51,863
7	16-oz Armor All Protector	6.19	8,358	51,736
8	A/C Recharge Kit/Freon	6.89	7,331	50,510
9	Turtle Minute Wax 18 oz	5.99	8,278	49,585
10	DuPont Rain Dance 16 oz	7.19	5,796	41,673
11	Motorcraft Oil Filter	4.19	8,303	34,789
12	Prest Super Flush 12 pk	3.29	10,180	33,492
13	Snowhite Lit 'N' Easy Gal	13.99	2,200	30,778
14	Turtle Zip Liq C/Wash 18 oz	2.39	12,746	30,462
15	Gumout Carb Clean 12 oz	1.89	15,671	29,618
16	AC Oil Filters PF-25	3.99	7,135	28,468
17	Fix A Flat Tire Infl 16 oz	1.39	20,216	28,100
18	Gunk Aerosol	2.19	12,659	27,723
19	15 Min Safety Flare	1.19	22,682	26,991
20	Sealed Beam Lg Round	3.29	8,095	26,632
21	32-oz Armor All Protector	8.99	2,921	26,259
22	Lee Oil Filter LF-1	3.49	7,177	25,047
23	Chamois 2.5-sq-ft V-250	5.99	3,959	23,714
24	Auto Bulbs 2 on a card	0.99	23,790	23,552
25	165 PSI Air Comp w/Ga	29.99	782	23,452
26	4-oz Armor All Protector	1.69	13,450	22,730
27	Sealed Beam, Lg Square	7.99	2,827	22,587
28	Westley's Bleach White 20 oz	2.19	10,137	22,200
29	Rislone Oil Alloy 32 oz	2.79	7,763	21,658
30	Sandable Primer Grey	1.99	10,771	21,434
31	PSF Yale Power Strg Fluid 14 oz	1.99	10,512	20,918
32	DuPont Rub Compound 12 oz	2.29	8,951	20,497
33	2-Ton Hydraulic Floor Jack	54.29	360	19,544
34	Turtle Color Back 16 oz	4.99	3,860	19,261
35	Fram Oil Filter PH8A	4.79	3,858	18,479
36	Champ Spark Plug 18	12.59	1,447	18,217
37	Black Lo 15 oz	2.39	7,363	17,597
38	Armor All Cleaner 16 oz	2.29	7,594	17,390
39	Bars Leak 12 oz	1.99	8,698	17,309
40	Lee Oil Filter LF-25	3.89	4,314	16,781

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PIMA

PRODUCT MOVEMENT AUDIT

Auto Chains Surge, Hurt Discounters

By HERB RECHTER
President,
Allied Accessories
And Auto Parts

Although we entered 1983 optimistically projecting a 20% full-year sales increase, current performance hasn't met that expectation. We've seen our volume with discount chains climb at nearly a 15% rate through the first half of this year—and have witnessed some very positive consumer trends and desires for certain categories—but one element of the competitive picture is disturbing.

The rapid growth of automotive specialty chains in major urban areas seems to be gaining these retailers extra market share at the expense of the discount chains. That has placed a lid on the growth we anticipated, but fortunately hasn't eroded gross margins. That's a relief coming on the heels of a rough 1982 when continuous promotions were needed to spark consumer spending.

With the cloud of recession lifted at last, consumer spending is up, unemployment is down, there's a general mood of optimism and people are spending more.

For sure, much of that money is being earmarked toward new cars, but I see that as having very little impact on our business. Higher new-car sales definitely don't steal dollars away from the automotive aftermarket.

People who buy new cars round them out with extra accessories for which they don't want to pay dealership prices. Consumers driving older cars fix them up. That makes for a healthy diversified marketplace.

To some extent, I see a trend toward younger demographics in the automotive aftermarket, based on the growing demand for speed equipment, such as headers, for "muscle" cars. Perhaps moderated fuel prices are contributing to this somewhat,

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121st Heck's Bows In Former King's

NITRO, W. Va.—Heck's has opened its 121st discount store, in Oak Ridge, Tenn.

The 46,000-sq.-ft. unit, formerly a King's, will anchor the shopping center outside of Knoxville.

The Oak Ridge store is the fourth in the Tennessee area and the second opening of the year for Heck's.

Buy 45, get 50!

Get 5 free cases of Shell Fire & Ice® Motor Oil!
Offer good Sept. 15-Nov. 15

Here are five compelling reasons why you won't want to miss out on this special offer from Shell to qualified retailers.

1. You get 5 cases of pure profit with every 45 you buy. That's 120, count 'em, 120 free quarts.

2. You get a product that's highly promotable. Good at regular prices. Great at sale prices. It disappears from your shelves when you feature it in your ads.

3. You get a brand name that has enormous customer acceptance. The Shell logo is one of the most quickly recognized emblems in the entire country. That means people reach for Shell Fire & Ice® Motor Oil without doubt or hesitation.

4. You get a product whose very name describes its benefits: "Fire & Ice," good when the weather is hot, good when it is icy cold. Shell Fire & Ice Motor Oil is good for all seasons.

5. You get a deal you can merchandise any way you want.

Offer applies to purchases of Shell Fire & Ice 10W-30, 10W-40 and Super 10W-50 only. Offer valid for purchases made from September 15 through November 15, 1983.

Get on the phone now to line up your order. Work Shell Fire & Ice into your Fall Promotion Calendar. Call the Shell mass merchandising representative nearest you.

New York
Jimmy Jones
(201) 325-5497

Chicago
Tom Walsh
(312) 887-5775

Detroit
Larry Polich
(313) 855-9000

Houston
Stan Schardon
(713) 241-3668

Los Angeles
Nancy Curry
(714) 991-9200

Come to Shell for answers

AUTOMOTIVE

PRODUCT MOVEMENT AUDIT

Auto Chains

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as well as to a general increase in the amount of driving being done in this country.

If there is one general trend I see that cuts across all the automotive categories, it is this: Consumers are stepping up in quality. More people are responding favorably to brand-name products offering value rather than simple low-priced goods.

People who are trying to keep their cars on the road longer aren't going to skimp to save a dollar on a replacement part or chemical. They're not about to take any chances.

By the same token, consumers are always willing to look at valuable new products. The APAA show may unveil some comers. For our part, however, we do lots of testing before adding new lines to our inventories. We're continually culling slow movers from our lines as well.

The Reason Why

Since the quality of imported products compares favorably with those of domestic make—and they're often much less costly—American consumers are accepting them strongly. We're not seeing a spurt in sales of foreign-made goods for foreign made cars, because owners of imported cars generally like professional servicing.

Rather, we're experiencing strong sales growth in foreign-made goods for universal applications—everything from hydraulic jacks, antennas, mirrors, litter baskets and other accessories to pour spouts and gauges. Indeed, every time we add an imported product to our line, it represents better quality (at a good price) than we had before.

Heavy rains this past spring put a damper on sales of body fix-up items like paints and polishes. Their volume was down 25% early in the year, until the pickup began in June and July. And, the trend away from polymer waxes continues.

The best-selling waxes now are the old standards, the paste waxes. No. 4 on our list is Super Hard Shell Paste Kit at $3.99; No. 5 is DuPont Rain Dance Paste, 14 oz., at $7.19, and No. 10 is a larger size DuPont Rain Dance, which combined for total unit sales of nearly 27,000

(Continued on page 32)

Winter merchandising at Zayre, Chicago, last fall emphasized brand-name windshield de-icer and cleaning fluids, starting fluid, dry gas and snow scrapers in 12-ft. gondola. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
41	Johnson's Wax Kit 12 oz	4.19	3,967	16,621
42	Dup Whte Pol Comp 12 oz	2.29	7,233	16,563
43	AC Spark Plug Tab Each	1.69	9,792	16,548
44	2-Gal Gas Can Flex Spout	5.99	2,757	16,514
45	Sandable Primer Red	1.99	8,156	16,230
46	Warco Dot Brake Fluid Qt	3.89	4,163	16,194
47	WD-40 Aerosol 9 oz	2.59	6,180	16,006
48	Blue Coral Spray/Wax 20 oz	4.69	3,381	15,856
49	Liq Turtle Wax 12 oz	2.99	5,185	15,503
50	9-oz Simonize Pre-Soft	3.29	4,702	15,469
51	AC Oil Filter PF-47	3.99	3,874	15,457
52	Snowite Lite-N-EZ Qt Kit	4.99	3,084	15,389
53	Warco Dot Brake Fluid 12 oz	1.49	10,319	15,375
54	GE Silicone Seal, Clear	3.29	4,672	15,370
55	DuPont Car Wash 8 oz	2.59	5,873	15,211
56	STP Gas Treatment 8 oz	1.29	11,792	15,211
57	12 CD-2 Red Hi 15 oz	2.39	6,337	15,145
58	Bug/Tar Remov Turtle 16 oz	2.19	6,898	15,106
59	Blue Poly Paste Seal 16 oz	9.99	1,498	14,965
60	Prestone Brake Fl 12 oz	1.99	7,477	14,879
61	AC Oil Filters PF-35	3.99	3,708	14,794
62	Lee Oil Filter LF-16	3.49	4,065	14,186
63	Gumout Carb Cleaner 8 oz	1.49	9,492	14,143
64	STP Gas Treatment 12 oz	1.99	7,085	14,099
65	Sealed Beam, Low Square	4.99	2,787	13,907
66	6-Ton Hydraulic Bottle Jack	18.49	732	13,534
67	Snap Super Fix-A-Flat 24 oz	5.49	2,465	13,532
68	Blue Poly Liq Sealant 16 oz	9.99	1,347	13,456
69	AC Spark Plugs, B/P	12.59	1,055	13,282
70	Bars Leak 5½ oz	1.49	8,879	13,229
71	Raindance S'rm Finish Lq 18 oz	5.99	2,182	13,070
72	AC Oil Filter PF-45	3.99	3,265	13,027
73	Lee Maxi Oil Filter	4.59	2,831	12,994
74	8mm Sil Custom Wire Set	17.39	745	12,955
75	3 Sect Antenna w/Booster	8.99	1,409	12,666
76	GM8 Cy Tune Up Kit	4.49	2,748	12,338
77	GM Combo Tune Up Kit	5.99	2,038	12,207
78	Autolite Res Plug 8/26	11.99	1,014	12,157
79	GM 8 Cap & Rotor Ele Ign	12.99	935	12,145
80	G2 Foot Pump w/Gauge	7.79	1,537	11,973

(Continued on page 32)

July Biz Mark Is Set by Sears

CHICAGO—Sears reported merchandising sales 9.8% higher than last year, setting a record for July.

Gross sales were $1,645,401,895, an increase of $147,020,873 over volume of $1,498,381,022 in the same period of 1982.

Sears reported sales for the 26-week period topped $10 billion for the first time. Gross sales were 7.5% higher than the previous record set in the same period last year.

CRISTY STARTS ON NATIONAL TV.

This year, get going with Cristy.

The company that's been giving better starts to cars for 41 years is starting on national TV. You stand to profit.

You'll see new commercials for the entire Cristy® line on **NHRA Racing, The NFL Week in Review** and **Road to Los Angeles.**

Better yet, over 28 million men will see them, too. And every one is a potential Cristy customer. Get ready for them.

Meet the entire Cristy line and order today. It's the only way to be in business throughout the year.

CRISTY® CORPORATION

© 1983 Cristy Chemical Corporation, Fitchburg, MA 01420

AUTOMOTIVE

Hard-to-beat promotional space at Times Square Stores-Seedman's, Bronx, N.Y., goes to an antifreeze endcap, with volume enhanced by a manufacturer's rebate. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
81	GM 8 Cy Dist Cap	5.49	2,180	11,968
82	Champ Spark Plug 12	12.59	929	11,696
83	Prime Anti-Freeze	4.79	2,432	11,649
84	Permatex Gasket Cement #2	1.89	6,138	11,600
85	Thrush Muffler	17.99	642	11,549
86	GE Glass Seal	3.29	3,497	11,505
87	Mini-Grease Gun Kit	8.29	1,379	11,431
88	Lee Oil Filter LF-24	3.89	2,925	11,378
89	One Piece Auto Ramp, pr	21.99	517	11,368
90	Carded Hose Clamps 4/cd	1.69	6,716	11,350
91	Fram Oil Filter PH-30	5.29	2,128	11,257
92	Thrush Muffler	17.99	625	11,243
93	Bulk (GD8B) Chamois 3.5 ft	8.89	1,247	11,085
94	Lee Maxi-Oil Filter LF-25HP	4.89	2,259	11,046
95	Sun Oil/Temp-Amp Ga	27.99	394	11,028
96	West Bleach Whte Liq 32 oz	3.39	3,219	10,912
97	Uphol Clr Turt Arsl 14 oz	2.69	4,047	10,886
98	Blue Poly Instant Spray	7.99	1,295	10,347
99	1½-Ton Jack Stand, each	5.49	1,883	10,337
100	GE Silicone Seal, Black	3.29	3,136	10,317

Source: These automotive figures for July 1983 were supplied by Allied Accessories and Auto Parts, Madison Heights, Mich. Allied services over 2,500 retail outlets throughout the United States, 98% of which are discount stores' auto departments.

Dollar General's Income Soars

SCOTTSVILLE, Ky.—Dollar General Company reported record results for the quarter and six months of 1983.

Net income for the quarter increased 86%. Net sales increased 13%. In the three-month period, net income reached $3,200,000 or 20¢ per share, compared with $1,717,000 or 11¢ per share in the 1982 period.

Net sales were $74,868,000 compared with $66,386,000 a year ago.

For the six-month period, net income was $4,045,000 or 26¢ per share, compared with $1,907,000 or 12¢ per share in the first half of 1982.

Net sales increased 16%, to $135,521,000.

WYNN'S® GIVES YOU MORE MILEAGE FOR THE MONEY.

These are tough times for fuel systems.

Most older cars have dirty carburetors. Newer cars have super-sensitive fuel systems.

And today's gasoline quality can be all over the road.

Your customer needs Wynn's Spitfire® Gas Treatment and Wynn's Carburetor Cleaner like never before. The products that together clean fuel systems from tank to carburetor while they help reduce octane requirements and prevent rust and corrosion.

And to make sure they'll find them on your shelves, we're making this special case offer available on both products until December 31, 1983.

Here's the deal.

Run 1 ad on both products and we'll discount your purchase $.50 per case. Run 2 ads, $1.00 per case. Run 3 ads, $1.50 per case. Run 4 or more ads, $2.00 per case.

Then sit back and get ready for a special Wynn's consumer promotion we'll be launching this Spring.

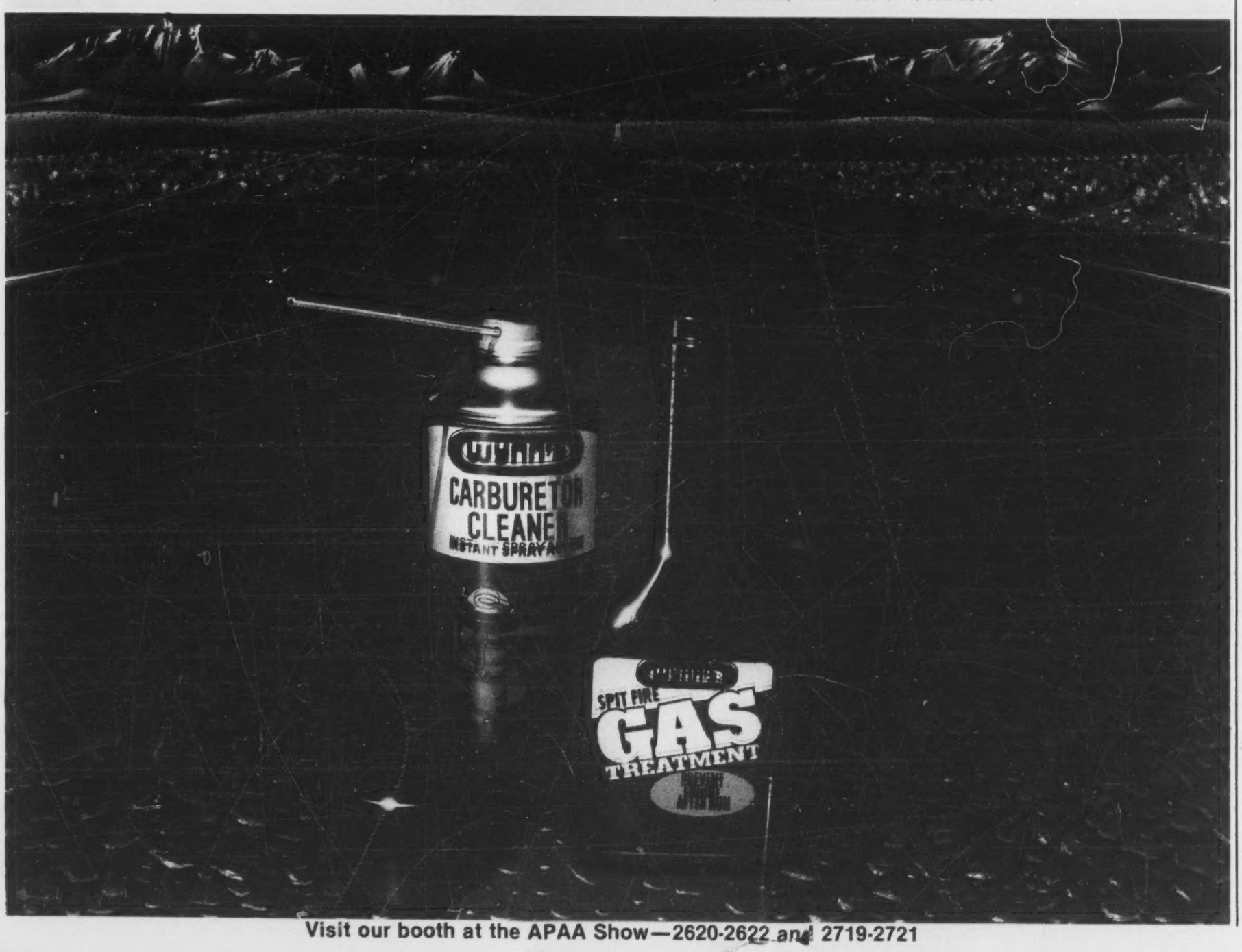
For more information call Dennis Bangert, national sales manager, at (714) 992-2000.

He'll tell you how to help improve your customers' mileage as you improve your register's performance.

Out on the road to profits.

Wynn's

Wynn's Friction Proofing Supply, Inc. 2600 East Nutwood Avenue, Fullerton, CA 92631 / (714) 992-2000



Visit our booth at the APAA Show—2620-2622 and 2719-2721

PMA®

PRODUCT MOVEMENT AUDIT

Auto Chains

(Continued from page 25)

during this past July.

However, Turtle Minute Wax, 18 oz., at $5.99 has our No. 9 spot because people have accepted its easy-to-use characteristics.

Our PMA reflects summer seasonal sales to be sure, with freon and recharge kits catching hold in the top 10.

However, chemical sales continue to capture top movement ratings, demonstrating across-the-board strength in all its segments. STP Oil Treatment, Gumout Jet Spray, Prestone Super Flush and Gunk Aerosol are chemical items serving a variety of needs. They're peppered throughout our top 20.

Whereas chemical sales are strong and steady, standard tune-up kits and spark plug sales are lagging. Electronic ignitions have a lot to do with that.

On the bright side, sales of wheel covers are growing rapidly because the introduction of imports has brought prices down to less than half of year-ago levels. There's been a subsequent near doubling of sales of ABS and wire wheel covers, since consumers recognize they're getting equivalent quality at a lower price.

10% Gain

(Continued from page 19)

louvers, floor mats, flaps, fire extinguishers and snack trays are expected to perform steadily.

Sales growth of chemicals will be powered by the penetration of diesel-powered cars into the domestic market, the development of new products and improved packaging, reported Charles H. Kline & Co., Fairfield, N.J., research firm.

Antifreeze, the promotional mainstay, and automatic transmission fluids together account for more than 40% of chemical sales, Kline noted.

Buyers attributed waning sales of polymer waxes to price points nearing $10. "I'm re-emphasizing paste waxes, which are outselling sprays," said a Gold Circle spokesman. Wax sales in general were washed out by this year's rain-drenched spring; polymers fared even worse and may not soon regain their shine.

Oil sales also skidded in the first half because of the weather. Ames, for one, expects "to go bananas in the second half," thanks to ads planned three months in advance to rebound from the weak spring.

Battery sales have generally been soft because of mild weather and the recent surge in new-car sales, except for strong private label programs such as Ames'.

However, volume of foreign car parts is expected to climb, as imported autos age and find themselves in the hands of second and third owners who are likely to be more enthusiastic DIYers.

AUTOMOTIVE

Specialty Chains Are Boosting Productivity

LANHAM, Md.—The road to greater auto department sales is paved with some tough competitors—the automotive specialty shops.

Profiled in a recent study by the Automotive Parts & Accessories Association's Foundation for Aftermarket Industry Research, they're effectively boosting their sales per square foot with computerized inventory, formal employee training programs, and participation in manufacturers' advertising campaigns.

The most successful are apt to be in the suburbs, by the Great Lakes or the West Coast, and have service bays, the study said.

Of those surveyed, 21% are chain-run, 12% franchises and the rest independents. Not surprisingly, a greater number of chains crop up in suburban shopping centers and malls, and in markets with population figures denser than 100,000.

Fully 97% sell chemicals, 19% tires, 99% heavy parts, 84% engine parts, and 62% safety, comfort and sound items. Stores carrying the latter three categories sport sales per square foot figures nearly 30% higher than others.

Chain stores in the 3,400-sq.-ft. area average sales of $113 per square foot. Franchise stores, slightly smaller at just under 3,000 sq. ft., lag at a $101 return per square foot. Independents, the smallest at nearly 2,800 sq. ft., bring the highest return of $114 per square foot.

Contributing to 16% greater sales productivity are repair services, offered by a mere 16% of the auto parts stores surveyed. Single bay service centers generate the highest revenues per bay, at $39,361 annually.

Nearly six stores in 10 tally annual sales of $100,000-$400,000, with another three in 10 ringing up yearly sales of up to $1 million or more. The survey's weighted midpoint is $218,000 annually. Chains fare much better, however, garnering average annual sales of $385,088.

Chains are also the most retail-oriented auto parts stores, capturing 65% of their volume from retail activities, compared with the franchises' 58% and independents' 57%; wholesale sales account for the lion's share of the rest.

The survey found it takes auto parts salespeople from five to nine minutes to process an average customer transaction of $14.26. Stores generally handle 340 such sales per week, during hours that are considerably shorter than most discount chains' hours of operation.

A commanding 70% are closed evenings, and 62% on Sundays. Among auto parts stores surveyed, 55% are open from 49 to 64 hours per week, and they register the highest sales per square foot.

Stores that train their salesclerks formally enjoy 23% greater sales productivity than competitors who don't, the survey said. And retailers who offer return goods privileges, special orders and charge card purchases ring up 39%-46% greater sales per square foot.

Furthermore, stores using computerized inventories—28% of those surveyed—report a robust $156 sales per square foot—compared with shops which use carded systems and produce sales of $98 per square foot.

Auto parts stores spend an average of 2.8% of sales on advertising, or $10,062 per year—primarily in newspaper, radio and Yellow Pages listings. For roughly two-thirds of the chain and franchise operators, additional ad monies are spent by their parent companies.

Services Abound At Most Auto Specialty Stores

Services to the public	% offering
Store's own credit	44
Visa/Mastercard	78
Delivery	15
Quantity discounts	35
DIY discounts	47
Educational clinics	15
Phone orders	61
Return goods privileges	88
Special orders	86

Source: Automotive Parts & Accessories Association

Suburban Sites Are Strongest For Most Auto Chains

Location	Sales/Sq. Ft.
Suburban	$140
Industrial area	128
Residential	125
Shopping mall	108
Rural	102
Downtown	91
National average	112

Source: Automotive Parts & Accessories Association

MECO's MOVING

...into a new plant and the future.

MECO® Corporation will be moving into its new manufacturing facility by the end of 1983. The new plant is designed to maximize production efficiency, increase capacity and enable us to expand our product line.

When the move is complete, MECO will have 700,000 square feet of manufacturing and warehousing facilities at our new location.

Our new plant is designed with the same attention to detail that has always been a part of our quality line of outdoor grills and casual furniture.

We're proud of our new manufacturing plant at MECO. First and foremost, it means we can serve you—our customers—better.

MECO® CORPORATION

P.O. BOX 1000 (1500 INDUSTRIAL ROAD)
GREENEVILLE, TN 37744-1000
1-800-251-7558
(In TN call 1-615-639-1171)

See Us at The Hardware Show,
Booth #'s 2200–2300

Chemicals

(Continued from page 21)

Meantime, a local competitor—Modell's Shoppers World—advertised just one chemical—Rizlone quart size engine treatment at $1.88, slightly more than half its everyday selling price of $3.69—in one of its weekly circulars this summer.

Aid Auto Stores, in the same market, included only the Gumout chemical at $1.79 and 1-lb. cans of freon for air-conditioners at $1.29 in its half-page newspaper ad.

Greater selectivity in advertising chemicals appears to be the byword today. The tactic reflects the strength of brand-name basic chemicals and the weakness of price and gimmick items, said the Ames spokesman.

Gasoline additives, for instance, face an unclear sales year. New-car purchasers should still need them to boost performance of their autos, which use lower octane fuels, said one buyer. However, lower gas prices have caused additive sales to lose some steam.

Changing Attitudes

Other trends spotted among do-it-yourselfers are inclinations to buy larger size packages of brake fluids, for bleeding systems and smaller packings for foreign cars.

Limiting brand assortment has been effective at Zodys' 45 stores throughout California and Nevada—where more stringent automotive merchandising is expected to bring a 30% chemical sales improvement this year.

Selling the four best-sellers of each chemical line lessens shopper confusion. Carrying the same 80 sku's as last year in 8-ft. displays, Zodys has increased depth of selected brands.

"We can't be all things to all people," said Richard Hughes, automotive buyer, noting his best-sellers are brake and radiator fluids, and oil viscosity enhancers like STP.

Somewhat bemused by his shoppers, Hughes said "customers don't use chemicals as preventatives, which is their intent. They want an inexpensive out, a 99¢ overhaul, when something goes wrong."

(Continued on page 38)

9/19/83 C5150-3

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Top Discount Dept. Store Chains: P. 17

0007122 DEC83DS
SMI ACQUISITIONS
CONGRESSIONAL SOURCE INFO
4520 EAST/WEST HIGHWAY
BETHESDA MD 20814

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

VOL. 22, NO. 19 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $20 for Census Issue | SEPTEMBER 19, 1983

New lines and store remodels haven't stemmed the flow of red ink at Jefferson Ward. Although a spokesman for Montgomery Ward chairman Stephen Pistner (r.) and Jefferson Ward chairman Arnold Suval deny the discounter is for sale, trade sources say negotiations have already begun.

Jefferson Ward Revamps But . . .

[This story was researched by Marilyn Neerman and Al Heller, and written by Neerman.]

MIAMI—Jefferson Ward has been sending out some recuperation signals, but they may not be enough to save it from the abyss.

The new Florida prototype gets generally high marks from competitors, who also admit Jefferson Ward is "as tough as they come" in hard lines pricing. The renovated Florida units are being pared down to a more efficient and productive 90,000 or 65,000 sq. ft. in selling space.

Under chairman and ceo Arnold Suval's aegis a lot of the fat has been cut from expenses. Costly service-oriented departments, like home improvements, big-ticket furniture ensembles and men's suits, have been dropped. Store personnel have been shifted from full-time to a more economical part-time schedule. Distribution has been consolidated to two facilities, one in Orlando, Fla., one in Burlington, N.J.

All merchandise categories have been reworked with a "narrow and deep" philosophy which has taken care of the earlier propensity to stock 16 sku's in outdoor mailboxes and frying pans priced from $3 to $80.

(Continued on page 134)

. . . Red Ink Makes Its Future Uncertain

MIAMI—While Jefferson Ward executives say they are happy with their chain's progress, the future of the Miami-based discounter remains uncertain.

Red ink continues to flow at the chain. Although Mobil Oil (parent of both Jefferson Ward and Montgomery Ward) has a "retail merchandising line" that showed a $4 million profit for the second quarter compared to a $27 million loss last year, "all that profit came from just the Montgomery Ward stores," according to trade sources.

Other sources report that Montgomery Ward has put its discount division on the block—holding discussions with at least two retail organizations—preferring to strike a deal for all 48 stores but willing to discuss a sale on a market-by-market basis.

(Continued on page 134)

Discounters' GM Biz En Route to $73.3B In 1983, a 10% Rise

Nationwide DSN Report

Increased productivity will lead the discount department store industry to a projected $73.3 billion in general merchandise sales during 1983, striking a 10% gain over last year.

Sales per store will show larger increases while the discounters' store count drops marginally, according to the annual industry census conducted by *Discount Store News*.

Comparable general merchandise sales will rise more than 11% to $8.9 million per store. At the same time, the number of stores held by the chains will drop by less than a percentage point to 8,217 units.

The deepened emphasis on performance will yield a better than 10% hike in sales per square foot, with the average rising to $126.51 from last year's $114.05.

Gains among the top 10 chains will be even larger as an industrywide consolidation continues, the data indicate.

By the end of this year, the top 10 will hold a 48.9% share of the industry's volume—$35.9 billion—up from last year's 47.6% portion. That represents a 12.8% gain in sales.

Industry leader K mart, with its projected $18.7 billion in sales, alone holds more than a 25% share of the market. That sales estimate could go even higher than the 10.8% rise anticipated, with some K mart insiders privately guessing that volume could inch near a 15% gain for the retail giant with a strong fourth quarter.

No. 2 Wal-Mart is also projected to score a significant increase in sales—25.4%—reaching $4.3 billion from last year's $3.4 billion.

Additionally, the 1983-84 census shows that volume for nine of the top 10 chains will be above the $1 billion mark, with Hills, Caldor and Bradlees all due to cross the billion dollar line this year. The 10th, Meijer, is inching closer to that figure, as well, with projected volume at $933 million.

The gains for the top 10, as well as for the industry as a whole, are made all the more

(Continued on page 4)

Proposed Gray-Market Ban Blasted

WASHINGTON—New Treasury Department rules granting multinational manufacturers power to block imports of legitimate trademarked products would jeopardize price competitive retail chains and cost American consumers billions of dollars annually, discount and catalog showroom industry leaders warned the department.

In a letter urging top Treasury officials to resist manufacturer pressure for a sweeping new ban on so-called "gray market" imports, Association of General Merchandise Chains (AGMC) president Edward Borda and Richard Kelly of the National Association of Catalog/Showroom Merchandisers (NACSM) charged that such restrictions are merely the latest attempt by suppliers to skirt the Federal law against resale price fixing.

"Present attempts to expand manufacturer control by preventing actual and potential price competition from the im-

(Continued on page 4)

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1983-84 Census Digest

Sept. 19, 1983

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Discount Store News®
THE NEWSPAPER OF DISCOUNT RETAILING

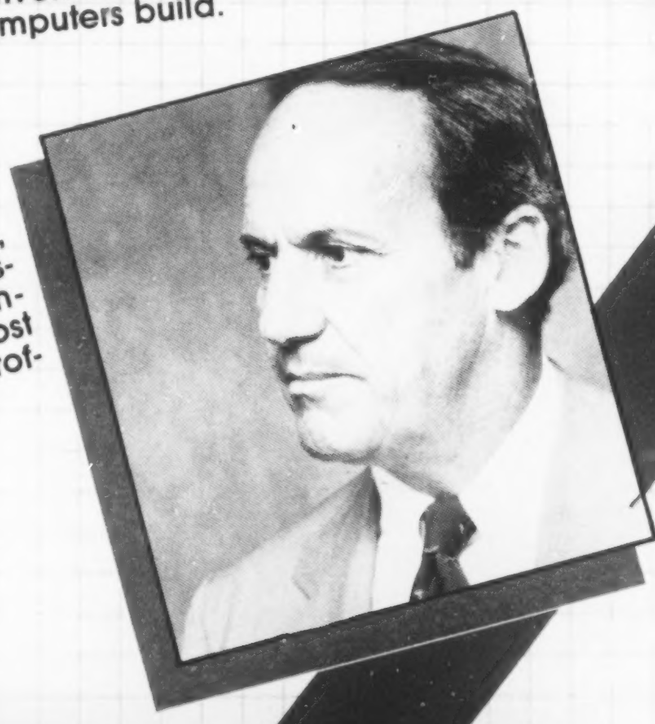
1983-84 DISCOUNT STORE CENSUS

Video game inventories are kept thin while marginless computers build.

State of the Discount Store Industry

	As of Calendar Year Ended 12/31/82	Projected for Calendar Year Ending 12/31/83
Square footage	583,911,000	579,400,320
Net Gain (Loss) in Square Footage	7,696,000	(4,510,675)
Stores	8,282	8,217
Net Gain (Loss) in Store Count	118	(65)
Annual Sales*	$66.6 Billion	$73.3 Billion
Average Sales/Sq. Ft./Yr.*	$114.05	$126.51
Average Sales/Store/Yr.*	$8,041,150	$8,920,531
Average Store Size	70,504 sq. ft.	70,512 sq. ft.

*Doesn't include sales from discounter supermarkets.
(Source: DSN Research)



Larry Del Santo, T.G. & Y.'s acting president and ceo, unveils a plan to boost sales and return profits.

Chairman Sam Walton moves the Wal-Mart empire toward his goal of 1,200 stores and $13 billion in sales by '88.

Chains push deeper into branded apparel for a growing breed of fashion-value-oriented customers.

$73.3 Billion
$72.6 Billion
$70 Billion
$66.6 Billion
$65 Billion
$60.5 Billion
$60 Billion
$55 Billion
$50 Billion

1978 1979 1980 1981 1982 1983

DISCOUNT STORE CENSUS '83/'84

Discounters' Sales Climbing to $73.3B

YEAR	TOTAL SALES IN BILLIONS	TOTAL STORES	NET GAIN (LOSS) OF STORES	TOTAL SQ. FT. IN MILLIONS	DOLLARS PER SQ. FT.	AVG. SALES PER STORE IN MILLIONS	AVG. STORE SIZE IN THOUSANDS OF SQ. FT.
1983	$73.30*	8,217	(65)	579	$126.51*	$8.92*	70.51
1982	66.60*	8,282	118	584	114.05*	8.04*	70.50
1981	66.60	8,164	428	576	115.58	8.15	70.58
1980	60.50	7,736	470	546	110.79	7.82	70.60
1979	55.00	7,266	375	513	107.15	7.57	70.60
1978	50.00	6,891	353	490	101.95	7.26	71.11
1977	47.00	6,538	396	468	100.00	7.19	71.58
1976	44.00	6,142	606	442	99.00	7.16	71.96
1975	38.00	5,536	126	399	95.00	6.86	72.07
1974 (a)	34.40	5,410	448	389	88.00	6.40	71.90
1973	31.50	4,962	248	350	88.32	6.27	70.54
1972	28.15	4,720	376	344	81.83	5.96	72.88
1971	25.60	4,344	333	306	83.66	5.89	70.44
1970	22.50	4,011	398	276	81.52	5.61	68.81
1969	18.44	3,613	306	244	75.57	5.10	67.53
1968	16.35	3,307	302	222	73.64	4.94	67.13
1967	13.61	3,005	321	199	68.39	4.53	66.22
1966	11.51	2,684	236	171	67.30	4.29	63.71
1965	9.82	2,448	219	151	65.00	4.01	61.68
1964	8.46	2,229	60	136	62.20	3.79	61.01
1963	7.51	2,169	144	122	61.55	3.46	56.25
1962	6.00	2,025	—	107	56.00	2.96	52.84

*Doesn't include sales from discounter supermarkets. (a) Reflects 18-month period ended Dec. 31, 1974.

(Source: DSN Research)

Nationwide DSN Survey

The discount department store industry, fueled by the recovery in the economy, is poised to undertake another major growth spurt in sales and productivity.

The industry's projected overall 10.1% sales gain to $73.3 billion, along with a 10.9% jump in individual store volume to an average of $8.9 million, doesn't completely denote the major changes under way in discountland.

The most important is the growing amount of apparel volume being checked out by discounters as they refine their merchandising to meet the demands of a changing consumer lifestyle.

High Volume

Ladies' apparel, for example, this year is projected to account for $13.3 billion in sales in discountland, an 18.1% share of the industry's total volume. Last year, ladies' wear volume of $11.8 billion amounted to 17.7% of the industry's sale.

A similar situation is taking place across the aisle in men's wear. That category is expected to produce $7.4 billion in volume or 10.1% of the industry's sales, up from $6.6 billion in sales or 9.9%.

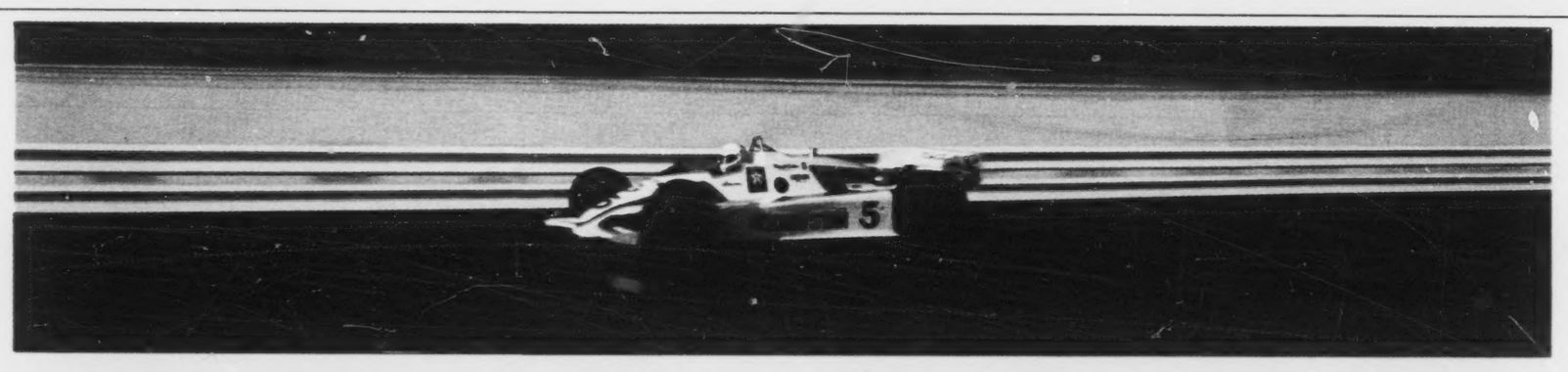
The gains being made in apparel merchandising reflect the increased number of name brands being sold by discounters as part of their upgrading of soft goods.

Interest Is Building

A similar trend is evident in health and beauty aids, as more and more designer fragrances are now wafting through discount stores. H&BA sales are projected to hit $5.2 billion in discountland, 7.1% of the industry's total. Last year the category's volume was $4.6 billion or 6.9%.

Consumer lifestyle changes aren't limited to just fashion and fragrances—they also involve exotic electronics in the form of computers, digital records and players, VCRs and satellite dishes.

The impact of these new consumer electronics is to push sales of this category in discountland to a projected $5.4 billion or 7.4% of the industry's total. Last year, sales in this area amounted to $4.3 billion or 6.5%.



How Havoline, the motor oil that helped win the Indy 500, gives you the inside track.

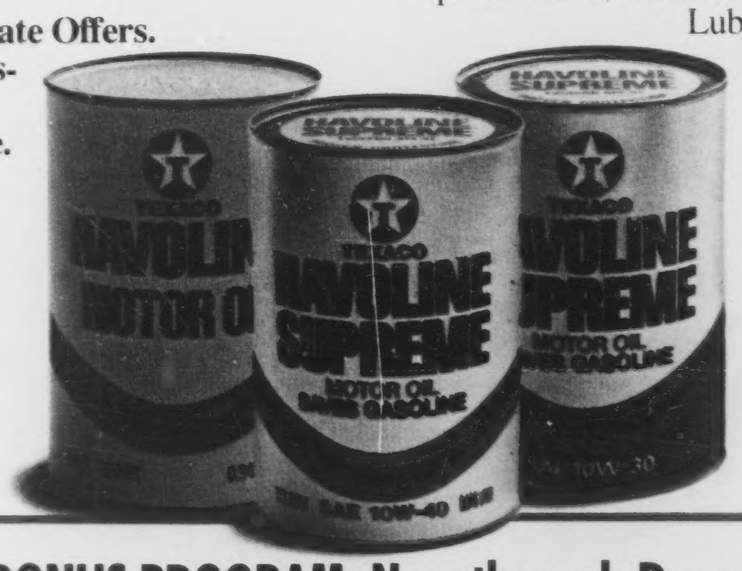
Havoline's Year-Round Promotional Program.

At this year's Indy 500, a specially formulated Havoline racing oil was used to lubricate and protect the *Texaco Star* race car, driven to victory by Tom Sneva. And the same wear protection additive and friction fighter used in Havoline racing oil are in the Havoline Supreme motor oils you sell. That kind of quality sells itself. Plus Havoline offers an extensive marketing and advertising support program to fully insure you the inside track in the marketplace. Here's how:

- **NEW HAV-A-BONUS PROGRAM— an exciting promotional opportunity for volume-minded retailers.**
- **Dynamic Consumer Rebate Offers.**
- **Generous Retail Advertising Allowances—up to $1.00 per 24/1-quart case.**
- **Store Display Allowances—$50.00 per store per quarter.**
- **Grand Opening Cash Bonus for new stores—up to $800.00 per store.**
- **Marketing Aids.**
- **Off-Invoice Allowances.**
- **A Multi-million Dollar Advertising Program, featuring Bob Hope and Indy 500 winner, Tom Sneva.**

Havoline motor oil, backed by Texaco's promotional programs, and the *Texaco Star* are a winning combination. Quality, protection, and proven performance have made Havoline a sales leader for over 75 years. And that's a track record you'll really profit from.

For all the details, contact your Havoline representative, wholesaler, or John P. Wies, Manager, Lubricants and Services, Texaco U.S.A., 1111 Rusk Ave., Houston, TX 77002. Or telephone: (713) 650-5218.



TEXACO

NEW HAV-A-BONUS PROGRAM. Now through December 31, 1983, volume-minded retailers can be reimbursed up to $2.40 on 24/1-quart cases or $1.20 on 12/1-quart Easy Dozen™ cases of Havoline motor oil, all grades.

DISCOUNT STORE CENSUS '83/'84

Top Discount Department Store Chains

Rank	Chain (HQ state in parentheses)	Estimated Volume (in millions)			No. of Stores			Total Sq. Ft. (Add 000)		
		Proj. General Merchandise $ Current Fiscal Yr. (Including Leased Depts.)*	General Merchandise $ Previous Fiscal Yr. (Including Leased Depts.)*	Net Earnings in Millions Previous Fiscal Yr.	1/83	12/83	To Be Added, 1984	1/83	12/83	To Be Added, 1984
1	K mart (Mich.)	18,746[a]	16,911[a]	261.8	2,117	2,160	70	121,600	125,000	4,060
2	Wal-Mart (Ark.)	4,325	3,448	124.0	551	635	100	27,728	33,678	6,000
3	Target (Minn.)	2,774	2,412	150.1*	167	206	—	16,261	20,064	—
4	Gemco (Calif.)	2,325	2,114	36.9*	80	83	—	8,806	9,134	—
5	T.G. & Y. (Okla.)	1,786[b]	1,805	—	566[b]	546	—	19,843[b]	19,142	—
6	Zayre (Mass.)	1,778	1,616	55.1*	264	273	13	18,900	19,539	852
7	Hills (Mass.)	1,074	894	37.8*	99	116	12	6,374	7,340	792
8	Caldor (Conn.)	1,064	925	—	79	96	—	7,031	8,544	—
9	Bradlees (Mass.)	1,003	872	50.5*	106	127	10	7,348	8,801	693
10	Meijer (Mich.)	933	848	—	50	50	—	6,051	6,051	—
11	Payless (Ore.)	330	785	19.4	147	151	7	4,410	4,530	210
12	Fred Meyer (Ore.)	792	720	—	68	68	—	6,000	6,000	—
13	Venture (Mo.)	782	680	30.0*	47	51	8	4,272	4,573	629
14	Rose's (N.C.)	679	617	44.5*	179	179	—	7,004	7,004	—
15	Cook United (Ohio)	619	600	8.7*	117	114	—	6,717	6,527	—
16	Price Club (Calif.)	600[c]	371	7.9	9	12	—	900	1,200	—
17	Murphy's Mart (Pa.)	585	531	—	111	118	5	5,269	5,302	237
18	Ames (Conn.)	580[d]	388[d]	21.2	136	185	10	4,825	7,169	700
19	Gold Circle (Ohio)	576	501	—*	50	51	—	5,677	5,777	—
20	Jefferson/Ward (Fla.)	510	500	—	50	48	—	5,410	5,198	—
21	Alexander's (N.Y.)	558	507[e]	3.2	15	15	—	3,614	3,614	—
22	Zodys (Calif.)	512	488	—[f]	50	47	—	3,000	2,800	—
23	Fedco (Calif.)	500	457	—	8	8	—	600	600	—
24	ShopKo (Wis.)	455	396	24.8*	36	39	—	2,209	2,431	—
25	Jamesway (N.J.)	418	345	6.8*	68	77	7	3,906	4,485	406
26	Heck's (W.Va.)	392	356	19.5*	119	125	6	4,360	4,618	258
27	Pamida (Neb.)	385	361	10.5	166	167	7	3,395	3,490	150
28	Richway (Ga.)	370	322	—	30	31	—	3,198	3,305	—
29	Howard Bros. (La.)	360	334	—	101	108	—	3,539	3,886	—
30	ALCO (Kan.)	340[g]	205[g]	7.7	80	130	—	2,372	3,700	300
31	S. E. Nichols (N.Y.)	288	262	2.5	42	42	—	3,780	3,780	—
32	Grand Central (Utah)	256	230	(3.0)	32	32	—	2,000	2,000	—
33	TSS-Seedman's (N.Y.)	245	222	8.3	15	18	—	2,619	2,816	—
34	Value City (Ohio)	220	200	—	27	31	—	2,700	3,100	—
35	Bi-Mart (Ore.)	210	187	—	30	32	2	900	960	60
36	Clover (Pa.)	205	180	—	17	18	1	1,109	1,170	85
37	Ann & Hope (R.I.)	203	185	—	5	6	—	930	1,116	—
38	Copps (Wis.)	163	155	(0.3)	17	18	—	831	874	—
39	Danners (Ind.)	161	146	—	35	35	—	1,553	1,553	—
40	Gee Bee (Pa.)	158	144	7.1*	20	21	—	1,280	1,344	—
41	Harts (Ohio)	147	139	2.4*	26	27	—	1,820	1,890	—
42	Prange Way (Wis.)	135	124	—	22	20	2	1,215	1,204	170
43	Quality Stores (Mich.)	135	113	—	42	45	5	745	805	89
44	Smitty's (Ariz.)	113	103	—	20	20	—	2,200	2,200	—
45	Rich's (Mass.)	110	105	—	13	13	—	806	806	—
46	Sky City (N.C.)	104	95	—	72	72	—	2,880	2,880	—
47	Gibson's (Kan.)	100	91	—	28	28	—	900	900	—
48	Swallens (Ohio)	100	85	—	7	7	—	750	750	—
49	Modell's (N.Y.)	98	93	—	6	6	—	720	720	—
50	Gaylords (N.J.)	95[h]	84[h]	0.1	29	32	2	1,305	1,445	—
51	Maloney's (Ky.)	85	80	—[f]	42	39	—	745	707	—
52	J. W. Mays (N.Y.)	85	122[e]	—[f]	4	4	—	1,040	1,040	—
53	David's (Kan.)	84	80	—	6	6	—	360	360	—
54	Laneco (Pa.)	77	70	—	16	18	—	1,300	1,500	—
55	G.I. Joe (Ore.)	75	70	0.8	8	8	1	450	450	55
56	Gibson's (Odessa, Tex.)	68	80	—[f]	11	5	—	975	376	—
57	The Fair (Mass.)	66	62	—	8	8	—	700	700	—
58	Kingsway (Mich.)	60	46	—	4	4	—	400	400	—
59	The Andersons (Ohio)	55	50	—	1	1	—	100	100	—
60	Click (Ohio)	54	50	—	10	10	—	1,000	1,000	—
61	Van Leunen's (Ohio)	54	48	—	6	6	—	743	743	—
62	Monte Mart (Calif.)	52	50	—	3	3	—	213	213	—
63	Grandpa Pigeon (Mo.)	49	47	—	5	5	—	250	250	—
64	J-Hawk (Tex.)	47	45	—	17	14	—	751	743	—
65	Lee Shops (Mass.)	46	44	—	9	9	—	480	480	—
66	Giant Way (Mich.)	45	43	—	15	15	—	560	560	—
67	West & Co. (La.)	42	40	—	8	8	—	335	335	—
68	Mars (Mass.)	40	29	0.4	7	11	4	420	660	240
69	Bargain Town (Ala.)	39	37	—	40	40	—	820	820	—
70	Lloyds (N.Y.)	39	37	—	3	3	—	250	250	—
71	Matco (Mo.)	38	37	—	17	14	—	510	420	—
72	Shoppers World (Tex.)	36	34	—	45	45	—	1,071	1,071	—
73	Magic Mart (Va.)	35	25	—	10	13	1	345	500	55
74	Treasure City (N.Y.)	35	33	—	10	10	—	412	412	—
75	Wonder World (Nev.)	35	34	—	4	4	1	320	320	80
76	Gibson's (K.C., Mo.)	33[i]	30	—	10	10	—	388	388	—
77	Valley Fair (N.J.)	32	30	—	2	2	—	270	270	—
78	Jack's (Ill.)	30	29	—	8	8	2	285	285	90
79	J. A. Conley (Ohio)	25	24	—	13	13	—	280	280	—
80	Gibson (Beaumont, Tex.)	24	20	—	4	4	—	400	400	—

**Operating profit. [a]Volume limited to United States and Canadian K marts; earnings for the entire corporation. [b]Excludes variety stores. [c]For fiscal year ended 8/31/82. [d]Includes sales from those King's stores operated under management agreement with KDT Industries, pending acquisition. [e]For fiscal year ended 7/31/82. [f]Operating under Chapter XI. [g]Includes sales from former Magic Mart stores from date of acquisition. [h]Doesn't include sales from leased departments or Tower Catalog Showrooms. [i]Operated by Chaffin Inc., Dodge City, Kan. [j]Operated by G. E. Stockton Inc., Kansas City, Mo.*

DISCOUNT STORE CENSUS '83/'84

Southeast Keeps 22% Store-Share Lead

Region	Proj. No. Disc. Stores Dec. '83	No. Disc. Stores Dec. '82	No. Disc. Stores Dec. '81	% Gain (Loss) 1983	Proj. Sq. Footage Dec. '83 (add 000)	Sq. Ft. Dec. '82 (add 000)	Sq. Ft. Dec. '81 (add 000)	% Gain (Loss) 1983
SOUTHEAST Ala., Fla., Ky., Miss., N.C., S.C., Tenn., Va., W. Va.	1,803	1,808	1,740	(0.3)	122,283	122,623	117,841	(0.3)
EAST CENTRAL Ill., Ind., Mich., Ohio, Wis.	1,585	1,605	1,593	(1.3)	116,914	118,389	117,586	(1.2)
SOUTHWEST Ariz., Ark., La., N.M., Okla., Tex.	1,295	1,291	1,242	0.3	80,368	80,120	76,651	0.3
MIDDLE ATLANTIC D.C., Del., Md., N.J., N.Y., Pa.	1,226	1,243	1,249	(1.4)	98,729	100,098	99,757	(1.4)
WEST CENTRAL Iowa, Kan., Minn., Mo., Neb., N.D., S.D.	778	790	770	(1.5)	53,058	53,876	52,443	(1.5)
PACIFIC Alaska, Calif., Hawaii, Ore., Wash.	676	681	707	(0.7)	50,677	51,052	52,856	(0.7)
NEW ENGLAND Conn., Me., Mass., N.H., R.I., Vt.	603	613	622	(1.7)	40,844	41,521	42,215	(1.6)
MOUNTAIN Colo., Idaho, Mont., Nev., Utah, Wyo.	251	251	241	—	16,202	16,202	15,507	—

Nationwide DSN Report

The Southeastern states are holding onto their leading (22%) share of the total number of discount department stores.

The actual number of stores located in the 10-state region fell slightly—by five stores—but with the industry's overall store count shrinking by 65 stores, to 8,217, the percentage for the area is remaining the same as last year.

There was a lot of reshuffling going on this year as the huge 329-store Woolco chain was closed and the 116-unit King's chain also went under.

Although many of the store sites were picked up by other retailers, almost every region had a net loss in the total number of discount stores for the year.

In fact, the only region in which the discount store count didn't fall was the Mountain State area of Colorado, Idaho, Montana, Nevada, Wyoming and Utah. In those states there are still 251 discount stores.

Fewer Stores

In the economically hard-hit Central Eastern region, a combination of store closings and pullbacks resulted in the greatest net loss in store counts of all the regions. There are now 20 fewer discount stores located in Illinois, Indiana, Michigan, Ohio and Wisconsin compared to last year's count.

Still, that region managed to hold on to its previous 19% of the nationwide total.

The mid-Atlantic region had the second-highest net loss of 17 stores, reducing the six-state discount store population to 1,226.

The Southwest region, where much of the industry's growth has taken place in recent years, suffered the smallest net loss with four fewer discount stores now operating in Arizona, Arkansas, Louisiana, New Mexico, Oklahoma and Texas.

For the next year, the Southwest should see another gain in store count as Arkansas-based Wal-Mart embarks on a 100-store expansion plan.

During 1983 the West Central region had a net loss of 12 discount stores within a seven-state area. The six New England states totaled 10 fewer stores this year and the Pacific region had a net loss of six discount stores for the year.

Which will sell faster?

The light that failed? Or Ready-Lite?

Ready-Lite, the rechargeable light from the makers of First Alert, shines more than 2½ hours on a single charge. About an hour longer than the other light.

Ready-Lite stands on its own and swivels its beam to put light where you need it and leave your hands free. The other light can't.

Ready-Lite can switch from a wide beam to a narrow, focused beam. The other light can't. And Ready-Lite holds on to its power, ready for emergencies, even if you don't use it for months. The other light may not.

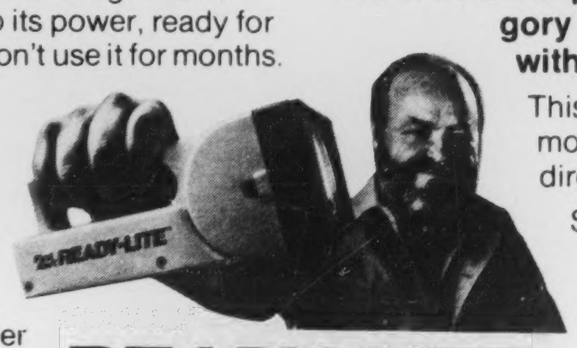
We're showing your customers these differences millions of times this year. In national magazines. On game shows. Through spot and network television commercials. Over and over again, our spokesman, William Conrad, compares long-lasting Ready-Lite with "the light that failed." And the differences he demonstrates are like night and day.

Once your customers have seen the other light compared to Ready-Lite, they won't settle for second best. The facts couldn't be clearer: the light that will sell is Ready-Lite.

We are now expanding this growing category by introducing Ready-Lite with direct plug in.

This new Ready-Lite needs no mounting bracket. It plugs directly into wall sockets.

So which rechargeable light would you rather sell. The light that failed. . . . or Ready-Lite?



READY-LITE™

From the makers of First Alert®

DISCOUNT STORE CENSUS '83/'84

70,000-Sq.-Ft.-Plus Stores Decrease

SQUARE FOOTAGE	Projected Dec. 31, 1983		As of Dec. 31, 1982		% Change in No. of Stores Projected 1983 vs. 1982
	No. of Stores	% of Total	No. of Stores	% of Total	
10,000 to 19,999	638	7.8	638	7.7	NC
20,000 to 29,999	555	6.8	555	6.7	NC
30,000 to 39,999	696	8.4	696	8.4	NC
40,000 to 49,999	1,023	12.4	1,023	12.4	NC
50,000 to 59,999	783	9.5	783	9.5	NC
60,000 to 69,999	881	10.7	871	10.5	+ 1.1
70,000 to 79,999	613	7.4	617	7.4	– 0.6
80,000 to 89,999	888	10.8	906	10.9	– 2.0
90,000 to 99,999	283	3.4	326	3.9	–13.2
100,000 to 119,999	1,342	16.3	1,353	16.3	– 0.8
120,000 to 139,999	185	2.3	185	2.2	NC
140,000 to 149,999	57	0.7	57	0.7	NC
150,000 to 199,999	191	2.3	190	2.3	+ 0.5
200,000 and larger	82	1.0	82	1.0	NC
TOTAL	8,217	100.0	8,282	100.0	– 0.8

NC = No change. Source: *DSN* research.

Nationwide DSN Report

Large-size stores suffered during 1983.

The 65 discount stores that make up the industry's net loss in store count this year are 70,000 sq. ft. or larger.

The number of stores in the 49,000-sq.-ft.-and-less size ranges remained constant, thus becoming a larger share.

The only substantial gain in the store numbers in any size range was in the 60,000- to 69,000-sq.-ft. range thanks to openings by K mart and Wal-Mart. At the close of this year there will be 10 more stores of that size operating than were in existence at the close of 1982.

Last year the number of discount stores of that size fell by 13 due to the shuttering of King's, May's Family Centers, and Twin Fair, among others. But, as many of those locations were reopened under new banners this year, the total number of stores in that size range edged back toward the 1981 total of 884—projected to reach 881 for this year.

As a result, stores in the 60,000- to 69,000-sq.-ft. size range now account for 10.7% of the total vs. 10.5% last year.

Key Changes

This also represents a continuation of the industry's trend toward more smaller stores: 55.6% of discount stores are now under 70,000 sq. ft. in size as opposed to 55.2% in 1982.

The industry lost the largest number of stores in the 90,000- to 99,000-sq.-ft. range, with a net of 43 stores closed during this year. Stores of that size now account for 3.4% of the industry's total compared to 3.9% a year ago.

Eighteen fewer 80,000- to 89,000-sq.-ft. discount stores are expected to be operating at the close of 1983 compared to a year ago. That size range fell by only a 10th of a percentage point as part of the overall industry.

Stores in the 100,000- to 119,000-sq.-ft. range still account for 16.3% of the industry total, even though nine fewer stores of that size will be opened at the close of this year.

The number of stores in the 70,000 to 79,000 range is down by four stores.

The industry did pick up one large store in the 150,000- to 199,000-sq.-ft. range.

INTRODUCING SNAPPY

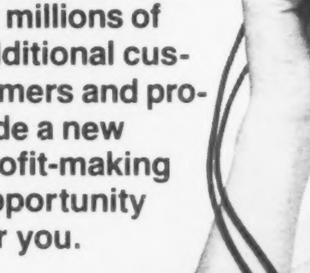
Canon Quality and Simplicity. At the Right Price!

The new Canon Snappy is destined to become the world's best selling 35! Designed expressly for the American snapshot market, Snappy will be heavily advertised on network TV and in national magazines, tied in to a wide assortment of point-of-sale material available for your stores. Snappy cameras bring 35mm quality within the reach of millions of additional customers and provide a new profit-making opportunity for you.

Canon Snappy cameras are totally automatic, with motorized loading, film winding and rewinding, automatic exposure control and built-in electronic flash! The Snappy 20 comes in five terrific colors and features a focus-free Canon f4.5 lens. The deluxe Snappy 50 comes in charcoal gray and features two-zone autofocus with a Canon f3.5 lens. Launched with the same total marketing effort that made the Canon AE-1 the world's most popular SLR, Snappy will revolutionize the 35mm market. Again.

It's my Style!

The Canon line has become the cornerstone on which all 35mm retail sales are built. The strongest advertising, a broad range of products and a name people trust add up to business you can count on everyday.



Canon A-1

The Canon A-1 is the most advanced of our "A" Series SLR cameras, featuring six exposure control modes to suit any picture-taking situation. The Canon AE-1 PROGRAM, seen in the hands of sports celebrities like John Newcombe, Tracy Austin and Willie Randolph, is a best seller, with *programmed automation* for focus-and-shoot convenience and shutter-priority

Canon AE-1 PROGRAM

automation for creative control. The new AL-1 has QUICK-FOCUS–an electronic focusing system that makes it easy for

Canon AL-1 QUICK-FOCUS

anyone to get sharp pictures every time. The world-famous Canon AE-1 is so advanced, it's simple, and is the most accepted 35mm SLR in history. Finally,

Canon AE-1

there's the AV-1, the most economical automatic Canon SLR which offers all the flexibility of Canon FD interchangeable lenses and additional accessories like Canon power winders and dedicated speedlites.

Canon AV-1

The Canon Sure Shot and Super Sure Shot models offer totally automatic operation in handsome compact cameras that deliver SLR-quality photos

Canon Super Sure Shot AF 35 ML

Canon Sure Shot AF 35 M

without the complexity of the higher-priced SLR cameras.

The Canon line is the most heavily advertised 35mm line, and the broadest, offering Canon quality at every price point. That's why Canon is the world's leader in 35mm photography!

The Official 35mm Camera of the 1984 Olympic Games

Canon®

Contributor to the U.S. Olympic Team

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123 Paularino Avenue East, Costa Mesa, California 92626 / 2035 Royal Lane, Suite 290, Dallas, Texas 75229 / Bldg. B-2, 1050 Ala Moana Blvd., Honolulu, Hawaii 96814 / Canon Canada, Inc., Ontario

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South, West Get Bulk of Single-Market TV-Ad Bucks

Top 15 Discount Chains: Local TV Advertisers in a Single Market*

Rank	Chain, Market	Jan.-June 1982	Jan.-June 1983	% Change
1	Gemco, L.A.	$1,687,400	$1,213,400	– 28
2	Fortunoff, N.Y.	666,800	1,133,400	+ 70
3	Fred Meyer, Portland, Ore.	995,300	1,064,800	+ 7
4	Target, L.A.	—	886,600	+ Inf
5	Zodys, L.A.	583,100	762,300	+ 31
6	Venture, Chicago	385,600	586,800	+ 52
7	Richway, Atlanta	749,200	539,600	- 28
8	Target, Dallas	378,500	527,200	+ 39
9	Plums, L.A.	—	492,600	+ Inf
10	Fred Meyer, Seattle	213,300	478,500	+ 124
11	Target, San Diego	—	462,200	+ Inf
12	Zayre, Boston	336,400	450,900	+ 34
13	Wal-Mart, Dallas	580,600	446,500	– 23
14	Gemco, San Diego	446,400	440,300	– 1
15	Meijer, Grand Rapids	159,700	425,000	+ 166
	Total Top 15	2,563,600	3,915,500	+ 53

*K mart hasn't been included on this list. Most co-op activity is credited by BAR to the manufacturer and not the above local advertiser.
Source: Broadcast Advertisers Reports (BAR) 75 market data compiled by the Television Bureau of Advertising (TvB).

Nationwide DSN Report

Heavyweight single-market television spending by discount chains was concentrated largely in pockets of the South and West during the first half of 1983.

Figures compiled by the Television Bureau of Advertising show Meijer's first recent appearance among the Top 15, thanks to its 166% increase to $425,000 in TV ad spending in Grand Rapids, Mich.

The scales shifted heavily in Los Angeles, the nation's No. 2 TV market, as No. 1 Gemco slashed its first-half TV ad spending 28% to $1.21 million. At the same time, Zodys boosted its level of TV advertising in that market by a substantial 31% to $762,000.

Most significantly in the land of Hollywood, a dramatic real-life TV advertising battle is taking shape among major discount chains. The debut of Target commercials, on a first-half budget of $886,000, and Plums television sports, which cost $493,000 to air, may bloody some bottom lines—as discounters vie for market share in a costly way.

Target's 39% TV ad spending increase in Dallas, during this year's first half, to $527,000, remains a clear indication of the chain's staunch support of its developing markets. Surprisingly, Wal-Mart hasn't countered strongly with a media blitz of its own there; for the first half of 1983, Wal-Mart TV ad spending slipped in the Dallas market a whopping 23% to $446,000. Furthermore, Wal-Mart's TV advertising in St. Louis fell enough to knock it from the Top 15 list, where it held the No. 9 perch at the end of last year.

Target also opened up its TV advertising wallet in San Diego to the tune of $462,000. In the wake of that, Gemco let its expenditures decline 1%.

Fred Meyer, on the other hand, more than doubled its Seattle television expenditures to $478,000 during 1983's first six months. The chain also spend 7% more in Portland than a year ago, at $1.07 million during the January-June 1983 sales period.

Likewise, Venture funneled 52% more money into its Chicago-area television spending, up to $587,000 in the first half.

Based on Zayre's 34% TV ad hike in 1983's first half, to $451,000, the chain is going strongly after the Boston market.

Leading Discount Department Store Radio Advertisers (1st Qtr.)

Rank	Chain	1983	1982	1981
1	K mart	$678,342	$5,638,196	$7,884,430
2	Zayre	576,600	3,941,642	4,388,557
3	Target	243,798	998,272	592,012
4	Zodys	86,954	625,680	218,464
5	Gemco	41,558	551,762	38,642
6	Venture	27,401	86,100	83,452
7	Caldor	24,615	185,792	119,697
8	Bradlees	4,761	401,704	55,974
9	T.G. & Y.	3,529	83,255	57,693

Source: Radio Advertising Reports

Folgr
Bounty
Pampers
Tide
Scope
Ivory Liquid
Head & Shoulders
Duncan Hines Cake Mix
Crisco Oil
Cascade
Crisco
Crest
Duncan Hines Chocolate Brownies
Duncan Hines Cookie Mix
Comet
Puf
Duncan Hines Blueberry Muffins
Downy
Jif
Ivory
Charmin
Our blue ribbon brands.
They can be winners for you, too.
Look at these brands, and you'll recognize some of the outstanding performers in your stores.
You know that we have quite a track record for fast-selling brands at P&G. But you may not know that of 28 grocery categories where we have major brands, we have a leading seller in 24 of them.
This kind of performance is more important than ever—to both of us.
When you're planning promotions, they can sell through more quickly and pull in more customers if you build them around popular, fast-moving brands. Like our leading brands.
And you'll recognize that many of these brands are not only great performers in their own right, but they have increased business for the entire category.
But fast-moving products are just one place where our interests clearly coincide.
We want to become knowledgeable about your objectives in such areas as merchandising, shelf space management, and store productivity—so we can work together as partners to help us both reach our goals.
Procter & Gamble
We hear you.

7 Chains Tone Down Radio Use

Nationwide DSN Report

Seven of the top nine discount chain radio advertisers cut back their nationwide use of the medium during this year's first quarter, according to figures compiled by Radio Advertising Reports.

The two stickouts are Target, the industry's third-leading radio advertiser, and Venture, the six largest, both of which appear to be headed toward moderate expenditure increases in 1983. Target, which swelled its radio ad budget last year nearly 60% to $998,000, has already spent $244,000 during the first three months of 1983. Venture's much smaller allocation, at $27,000 in 1983's first quarter, should top last year's $86,000 level by at least 15%.

For the majority of leaders, however, radio is becoming a less important channel for reaching consumers. K mart, for the second consecutive year, is taking the starch from its radio ad budget; it was down in 1982 to $5.7 million from $7.9 million the year earlier. The No. 1 radio advertiser has spent less than $680,000 in 1983's first quarter.

That relatively paltry sum slimmmed its lead over No. 2, Zayre, which is also cutting back. Its spending pace in 1983's first quarter, at $576,000, won't come close to matching last year's 12-month allotment of $3.94 million.

Zodys, Gemco and Caldor look as if their full-year radio advertising expenditures will land somewhere between 1982 and 1981 levels.

DISCOUNT STORE CENSUS '83/'84

Discounter Trends in Top Metro Markets

RANK	METRO MARKETS*	Proj. No. of Stores Dec. '83	No. of Stores Dec. '82	(b) Proj. Sq. Footage (add 000)	(a) Proj. $ Discount Store Sales (add 000)	(c) Population (add 000)	Density (Sq. Ft. Per person)	(c) No. of Households (add 000)	Effective Buying Income Per Household
1	New York	80	89	5,658	$ 793,880	8,118	0.70	3,225,800	$21,211
2	Los Angeles-Long Beach	120	120	8,478	1,070,520	7,643	1.11	2,821,300	23,655
3	Chicago	161	169	11,129	1,436,281	6,029	1.85	2,184,200	26,469
4	Philadelphia	112	112	7,910	999,040	4,686	1.69	1,673,900	24,392
5	Detroit	68	68	4,861	606,628	4,420	1.10	1,570,700	26,280
6	Boston	105	100	7,026	936,705	3,657	1.92	1,335,100	25,525
7	District of Columbia	50	50	3,525	446,050	3,316	1.06	1,234,800	30,108
8	Houston	81	81	5,709	722,601	3,028	1.89	1,114,800	27,689
9	Nassau-Suffolk, N.Y.	49	56	3,488	437,129	2,637	1.32	846,100	35,148
10	Atlanta	40	35	2,814	356,840	2,262	1.24	824,900	22,958
11	Baltimore	43	41	3,221	383,603	2,224	1.45	797,500	24,051
12	Minneapolis-St. Paul	44	43	3,100	392,524	2,194	1.41	818,100	27,055
13	Pittsburgh	76	76	5,360	677,996	2,182	2.46	826,800	23,706
14	Dallas	54	93	3,806	481,734	2,091	1.82	783,800	25,217
15	Anaheim-Santa Ana	59	59	4,137	526,339	2,090	1.98	770,100	30,126
16	San Diego	33	35	2,339	294,393	1,996	1.17	739,300	23,219
17	Newark	37	36	2,619	330,077	1,865	1.40	656,700	28,638
18	Cleveland	53	50	3,742	472,813	1,853	2.02	697,900	24,265
19	Oakland	35		2,468	312,235	1,814	1.36	709,200	26,914
20	St. Louis	54	50	3,821	446,050	1,810	2.11	665,800	24,656
21	Miami-Hialeah	38	41	2,680	365,761	1,768	1.52	648,700	19,736
22	Tampa-St. Petersburg-Clearwater	37	37	2,886	330,077	1,743	1.66	726,700	17,957
23	Riverside-San Bernardino	26	26	1,842	231,946	1,706	1.08	616,900	22,019
24	Seattle	43	43	3,035	383,603	1,656	1.83	652,500	27,285
25	Phoenix	34	34	2,403	303,314	1,653	1.45	616,400	21,972
26	Denver	31	31	2,187	276,551	1,536	1.42	600,500	25,331
27	San Francisco	22	64	1,549	196,262	1,500	1.03	631,100	26,273
28	Cincinnati	57	56	4,032	508,497	1,406	2.87	514,900	23,619
29	Milwaukee	43	50	3,046	383,603	1,402	2.17	518,400	24,807
30	San Jose	34	44	2,403	303,314	1,371	1.75	503,200	30,570
31	New Orleans	46	55	3,244	410,366	1,305	2.47	473,000	21,349
32	Bergen-Passaic	23	—	1,622	205,183	1,278	1.27	460,100	30,007
33	Columbus, Ohio	44	44	3,113	392,524	1,270	2.45	475,000	22,560
34	Norfolk	31	30	2,196	276,551	1,196	1.84	411,300	21,507
35	Sacramento	24	24	1,692	214,104	1,186	1.43	468,100	22,940
36	Indianapolis	45	46	3,152	401,445	1,179	2.67	434,600	22,787
37	Portland, Ore.	40	37	2,814	356,840	1,136	2.48	450,900	22,443
38	San Antonio	40	60	2,818	356,840	1,130	2.49	380,700	20,982
39	Fort Lauderdale-Hollywood	34	38	2,399	303,314	1,108	2.17	470,500	21,566
40	Hartford	32	30	2,255	285,472	1,057	2.13	387,200	27,459
41	Fort Worth/Arlington	39	—	2,750	347,919	1,040	2.64	382,900	24,983
42	Charlotte-Gastonia-Rock Hill	25	—	1,763	231,946	1,004	1.76	366,100	20,933
43	Buffalo	37	38	2,610	330,077	995	2.62	367,800	23,675
44	Rochester, N.Y.	25	26	1,764	231,946	982	1.80	358,600	27,035
45	Salt Lake City-Ogden	26	29	1,843	231,946	974	1.89	315,800	22,739
46	Louisville	31	33	2,196	276,551	963	2.28	353,300	20,915
47	Dayton-Springfield	27	—	1,900	240,867	932	2.04	348,500	23,374
48	Memphis	27	31	1,900	240,867	931	2.04	328,400	20,419
49	Kansas City, Mo.	36	—	2,538	321,156	917	2.78	352,700	22,872
50	Oklahoma City	34	28	2,385	303,314	905	2.64	347,200	22,997

(a)Sales are projected for total sq. ft. expected to be in operation at the end of the calendar year, using industry average sales-per-square-foot figures.
(b)DSN estimates.
(c)From the 1983 Sales & Marketing Management survey of buying power.
**Reflects 1980 census data and new SMSA market definitions.*

DISCOUNT STORE CENSUS '83/'84

State-by-State Breakdown of Discountland

STATES	Proj. No. of Stores Dec. '83	No. of Stores Dec. '82	Proj. Sq. Footage Dec. '83 (Add 000)	Square Footage Dec. '82 (Add 000)	Density (Square Foot Per Person)	Projected Net Gain (loss) '83		*Projected 1983 Discount store sales (Add 000)	** Total Retail Sales (Add 000)	Per Cent of Total Retail Sales
						No. Stores	Footage (Add 000)			
Alabama	196	196	11,207	11,207	2.81	0	0	$1,748,516	$ 15,730,495	11.1
Alaska	3	3	240	240	0.53	0	0	26,763	2,956,878	0.9
Arizona	103	101	7,673	7,526	2.58	2	149	918,863	12,623,047	7.2
Arkansas	220	220	10,777	10,777	4.59	0	0	1,962,620	10,021,574	19.5
California	475	480	37,050	37,444	1.48	(5)	(390)	4,237,475	125,578,730	3.4
Colorado	95	95	6,465	6,465	2.09	0	0	847,495	16,024,183	5.3
Connecticut	164	166	12,267	12,423	3.91	(2)	(150)	1,463,044	15,533,996	9.4
Delaware	26	26	1,960	1,960	3.23	0	0	231,946	2,983,000	7.7
D.C.	4	4	298	298	0.49	0	0	35,684	2,753,999	1.3
Florida	266	271	22,237	22,665	2.10	(5)	(418)	2,372,986	54,671,728	4.3
Georgia	180	180	15,476	15,476	2.72	0	0	1,605,780	24,802,847	6.5
Hawaii	21	21	1,085	1,085	1.07	0	0	187,341	5,034,998	3.7
Idaho	29	29	1,679	1,679	1.69	0	0	258,709	4,598,546	5.6
Illinois	350	354	25,305	25,608	2.20	(4)	(289)	3,122,350	53,308,896	5.9
Indiana	279	282	18,720	18,939	3.38	(3)	(201)	2,488,959	25,316,193	9.8
Iowa	134	134	8,220	8,220	2.79	0	0	1,195,414	14,088,205	8.5
Kansas	136	143	8,024	8,433	3.32	(7)	(413)	1,213,256	11,477,322	10.6
Kentucky	180	180	11,046	11,046	2.95	0	0	1,605,780	16,639,194	9.7
Louisiana	183	181	10,138	10,033	2.32	2	111	1,632,543	18,371,505	8.9
Maine	46	47	2,604	2,662	2.27	(1)	(57)	40,366	5,667,998	7.2
Maryland	115	117	8,786	8,938	2.05	(2)	(153)	1,025,915	22,252,683	4.6
Massachusetts	256	261	16,973	17,295	2.94	(5)	(331)	2,283,776	30,513,996	7.5
Michigan	249	253	20,816	21,135	2.25	(4)	(334)	2,221,329	44,462,983	5.0
Minnesota	139	139	8,885	8,885	2.13	0	0	1,240,019	20,659,790	6.0
Mississippi	135	135	6,877	6,877	2.66	0	0	1,204,335	9,248,274	13.0
Missouri	207	210	19,748	20,031	3.96	(3)	(286)	1,846,647	24,114,389	7.7
Montana	22	22	1,319	1,319	1.62	0	0	196,262	4,409,996	4.5
Nebraska	94	96	5,104	5,211	3.26	(2)	(109)	838,574	7,826,919	10.7
Nevada	35	35	2,589	2,589	2.92	0	0	312,235	5,629,999	5.5
New Hampshire	68	70	4,026	4,143	4.15	(2)	(118)	606,628	5,289,996	11.5
New Jersey	205	207	20,295	20,494	2.73	(2)	(198)	1,828,805	35,925,963	5.0
New Mexico	83	83	4,872	4,872	3.50	0	0	740,443	6,465,879	11.5
New York	435	442	36,323	36,908	2.07	(7)	(585)	3,880,635	75,334,984	5.1
North Carolina	204	204	13,788	13,788	2.27	0	0	1,819,884	24,879,632	7.3
North Dakota	33	33	1,598	1,598	2.37	0	0	294,393	3,349,918	8.8
Ohio	562	566	40,857	41,174	3.77	(4)	(290)	5,013,602	47,760,986	10.5
Oklahoma	148	152	8,421	8,649	2.64	(4)	(228)	1,320,308	15,444,403	8.5
Oregon	93	93	6,001	6,001	2.20	0	0	829,653	14,487,767	5.7
Pennsylvania	441	447	31,091	31,500	2.62	(6)	(423)	3,934,161	51,625,140	7.6
Rhode Island	39	39	3,293	3,293	3.44	0	0	347,919	4,078,999	8.5
South Carolina	126	126	8,086	8,086	2.49	0	0	1,124,046	12,810,781	8.8
South Dakota	35	35	1,528	1,528	2.17	0	0	312,235	3,414,250	9.1
Tennessee	191	193	11,269	11,386	2.37	(2)	(118)	1,703,911	19,592,094	8.7
Texas	558	554	38,502	38,263	2.51	4	276	4,977,918	82,731,512	6.0
Utah	40	40	2,663	2,663	1.69	0	0	356,840	6,337,618	5.6
Vermont	30	30	1,705	1,705	3.26	0	0	267,630	2,524,001	10.6
Virginia	204	202	15,096	14,939	2.72	2	148	1,819,884	26,988,928	6.7
Washington	84	84	6,282	6,282	1.46	0	0	749,364	21,720,187	3.5
West Virginia	121	121	7,153	7,153	3.60	0	0	1,079,441	9,346,52.	11.5
Wisconsin	145	150	11,150	11,533	2.32	(5)	(385)	1,293,545	20,196,417	6.4
Wyoming	30	30	1,487	1,487	2.89	0	0	267,630	3,141,406	8.5

** DSN estimate based on average per-store sales projected for the calendar year. ** Total retail sales taken from the 1983* Sales & Marketing Management *survey of buying power.*

DISCOUNT STORE CENSUS '83/'84

Top 44 Catalogers Eye $6.6B

Nationwide DSN Report

The nation's rebounding economy will be a big boon to the catalog showroom industry and should help those retailers generate at least $7.5 billion in sales this year, according to a *DSN* projection.

The top 44 chains are expected to produce at least $6.6 billion in sales, or about 88% of the industry's total volume, with Best Products at $2.2 billion, followed by Service Merchandise, at $1.4 billion, leading the pack.

The dominant position of these 44 chains denotes the ongoing changes in the showroom industry, in which fewer retailers are accounting for a lion's share of the business. This trend reflects (a) selected mergers in which the biggies purchase smaller operators, as well as (b) the merchandising upgrading that the larger operators are able to institute due to their depth in resources.

The merger trend had an impact on the industry's statistics compiled by *DSN*. Best's figures, for example, include volume from Modern Merchandising and Basco from the dates of those acquisitions, and provide for the subsequent closing of eight Bascos. Service Merchandise's results include those of Sam Solomon since its acquisition, while the H. J. Wilson results include those of Standard Sales, since that acquisition, and provisions for the subsequent closing of four Standard stores.

The industry's statistics, however, don't tell the entire story of the growth and changes under way among cata-

(Continued on page 33)

The catalog showroom industry's sharper focus on jewelry as a key step in improving profits is illustrated in the section's upfront position in revamped Best Products store in Mesquite, Tex. *(DSN photo)*

Chain (Hq. and coordinator)	Showroom $ sales (millions) Estimated current fiscal year	Showroom $ sales (millions) Last completed fiscal year	$ Net profit (millions) last fiscal year	Showrooms As of Jan. 1 1983	Showrooms As of July 1 1983	Showrooms As of Dec. 31 1983	Showrooms To Be opened in 1984
Best Products (Va.) (Independent)	2,250.0	1,581.7	28.8	189	190	197	10
Service Merchandise (Tenn.) (Independent)	1,425.0	1,195.3	31.6	139	145	155	15
H. J. Wilson (La.) (Independent)	525.0	458.2	5.6	75	75	78	5
Consumers Distributing (N.J.) (Independent)	360.0	309.0	3.8*	110	113	140	20
Carlson Cos. (Iowa) (Creative)	330.0	320.0	N.A.	71	68	67	0
Gordon Jewelry (Tex.) (Independent)	155.0	142.0	(16.3)	48	49	50	3
W. Bell (Md.) (Independent)	130.0	134.6	1.4	18	18	18	2
Jewelcor (Pa.) (Jewelcor)	125.0	127.0	N.A.	24	24	25	1
L. Luria & Sons (Fla.) (Independent)	150.0	123.8	5.5	26	26	30	3
McDade & Co. (Ill.) (MAI)	97.0	94.0	N.A.	7	7	7	1
O. G. Wilson (Tex.) (Independent)	65.0	62.0	N.A.	15	15	15	0
Brendles (N.C.) (MAI)	80.0	72.0	N.A.	18	18	20	2
Sterling Jewelry (Tex.) (Paul Schultz)	78.0	75.0	N.A.	5	5	5	0
Ellman's (Ga.) (Independent)	75.0	69.1	0.9	7	7	7	1
David Weis (Pa.) (Independent)	70.0	64.0	N.A.	10	11	11	2
O. G. Wilson (Tex.) (Independent)	65.0	62.0	N.A.	15	15	15	2
K's Merch. Mart (Ill.) (Creative)	58.8	55.0	N.A.	6	6	7	0
E. H. Tepe (Ind.) (Creative)	47.0	45.0	N.A.	9	9	9	1
Dahlkemper's (Pa.) (Creative)	40.0	37.0	N.A.	6	6	6	1
Evans (Md.) (MAI)	34.0	30.0	N.A.	4	4	4	1
Goldbro (Ala.) (Charter)	33.0	30.0	N.A.	5	6	6	0
Alexander's (S.C.) (Charter)	31.0	28.0	N.A.	5	5	5	1

(Continued on page 33)

(Continued from page 32)

Chain (Hq. and coordinator)	Showroom $ sales (millions) Estimated current fiscal year	Showroom $ sales (millions) Last completed fiscal year	$ Net profit (millions) last fiscal year	Showrooms As of Jan. 1 1983	Showrooms As of Juiy 1 1983	Showrooms As of Dec. 31 1983	Showrooms To Be opened in 1984
Fred Gattas (Tenn.) (MAI)	27.0	25.0	N.A.	6	7	7	1
Jewel Mart (Ohio) (Paul Schultz)	26.0	24.0	N.A.	4	4	4	0
Towers (N.J.) (Creative)	26.0	24.0	N.A.	6	6	6	0
Wilcor (Fla.) (MAI)	26.0	25.0	N.A.	4	4	4	0
Key Distributors (Ga.) (Creative)	25.5	24.0	N.A.	8	8	9	1
Boardman's (N.Y.) (Independent)	25.0	24.0	N.A.	13	13	13	0
A. J. Foland (Mich.) (American)	25.0	22.0	N.A.	6	6	6	0
R & R (Mass.) (American)	25.0	23.0	N.A.	7	7	8	1
Hartman (Calif.) (Independent)	24.0	22.0	N.A.	10	11	13	2
Present Co. (N.Y.) (MAI)	24.0	22.0	N.A.	9	9	9	1
Witmark (Mich.) (Mutual)	24.0	22.0	N.A.	5	5	6	2
Brand Names (N.Y.) (Independent)	23.0	21.5	N.A.	12	13	13	0
Segall & Son (Ga.) (American)	22.0	20.0	N.A.	5	5	5	2
Masters Merch Mart (Fla.) (Jewelcor)	20.0	17.5	(2.4)	26	26	26	0
Arthur's (N.J.) (MAI)	18.0	16.0	N.A.	4	5	5	0
Value House (N.M.) (Paul Schultz)	18.0	16.0	N.A.	5	5	5	1
Wes Freedman (Pa.) (Charter)	16.0	15.0	N.A.	5	5	5	0
Murrays Jewelers (Ill.) (MAI)	16.0	15.0	N.A.	2	2	2	0
Wilbro (Ala.) (Charter)	16.0	15.0	N.A.	4	4	5	1
Paysaver (Mass.) (Jewelcor)	15.0	13.1	0.037	4	4	4	1
Rosenbaums (N.Y.) (Paul Schultz)	15.0	14.0	N.A.	4	4	4	0
Standard Distributors (Ala.) (Creative)	15.0	15.0	N.A.	2	2	2	0
Top Brands (Mo.) (Paul Schultz)	15.0	15.0	N.A.	3	3	3	0

(Some figures are DSN estimates). *( )—Loss.* *N.A.—Not available* **Operating profit*

Best Leads Catalogers in Volume

(Continued from page 32)

logers. Volume from coordinator operations that are owned by catalogers, for example, aren't included; Best's results don't include those of Creative Merchandising, while the Jewelcor figures are just for the Jewelcor and Edison chains and exclude Jewelcor Merchandising results.

Creative Merchandising is due to be acquired this fall by Carlson Companies, which is the parent of the Ardan and MacDonald chains. Carlson's figures are just for those two catalogers, with nine MacDonald showrooms renamed Ardan this month.

The chart lists Consumers Distributing's projected addition of 30 showrooms. The Edison, N.J.-based arm of the Canadian firm is carrying out a major expansion due to the strong results from a number of merchandising changes being phased in at the chain, especially a greater focus on higher-profit jewelry. (CD's results are in Canadian dollars, as reported by its parent.)

CD isn't the only cataloger that is making a greater commitment to jewelry. Service Merchandise, for example, now locates the department in an up-front position in its showrooms and has even launched Zimm's as a guild jewelry operation.

Best and David Weis are other catalogers that now spot jewelry at the front of their new showrooms for greater customer exposure and to highlight each chain's support for this merchandise.

Best has also set sail a number of jewelry-oriented stores. Best Jewelry, a jewelry and giftware store, has already been opened and three more are due. A scaled-down Best that displays jewelry and giftware but also warehouses other catalog merchandise for immediate customer pickup is set to open this fall.

The jewelry program under way at the industry's leading chain also saw four Dallas-Fort Worth area showrooms remodeled, with the jewelry section getting a major face-lifting and repositioning at the front of the showrooms.

Catalogers are also probing soft goods, with the main emphasis on domestics. The gamut of showrooms showing this merchandise includes Best, Service Merchandise, McDade, Ardan and H. J. Wilson, with other catalogers considering adding this category.

Selective soundings of apparel are also under way among some catalogers. David Weis, for example, has the company-run ladies' apparel section as a not-in-catalog department in its showrooms.

But, the more traditional apparel approach is the mass display of sporting goods clothing, with many catalogers even showing goods in their book. Dahlkemper, on the cutting edge of this trend, has refocused sporting goods apparel as leisure wear and expanded the assortment in its new Erie, Pa., store.

Dahlkemper's apparel effort includes an augmented offering of juvenile apparel as part of an upgrading of the entire juvenile department. Similar moves are under way at other catalogers as they go after a clothing market that has been downplayed for the most part by conventional department stores and discounters.

Besides filling the market void, juvenile apparel appeals to catalogers because it comprises basic merchandise where fashion trends aren't as important as in adult clothing. This means fewer markdowns and less need to continually change the assortment in response to design and color trends.

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DISCOUNT STORE CENSUS '83/'84

Top 20 Discount Specialty Chains

Chain	Volume (millions) '82	Volume (millions) Projected For '83*	Store Count 12/'82	Store Count 12/'83
1. Radio Shack (Forth Worth)	$2,033	$2,440	6,503	6,742[a]
2. Toys "R" Us (Rochelle Park, N.J.)	1,000	1,200	142	169
3. Marshalls (Woburn, Mass.)	830	1,085	136	175
4. Western Auto (Kansas City, Mo.)	600	660	3,200	2,781
5. T. J. Maxx (Framingham, Mass.)	350	440	84	116
6. Loehmann's (New York)	260*	285	56	68
7. Child World (Avon, Mass.)	283	323	79	90
8. Pep Boys (Philadelphia)	257*	283	111	110
9. Oshman's (Houston)	247	285	166	191
10. Circuit City/Lafayette (Richmond)	240	259	51	49
11. Kay-Bee (Lee, Mass.)	183	219	350	418
12. Lionel Leisure (Philadelphia)	180	134	75	56
13. Hit or Miss (Framingham, Mass.)	174	235	269	342
14. Grand Auto (Oakland, Calif.)	122	131	79	87
15. Sunset Sports (Salt Lake City)	110*	125	42	48
16. J. Brannam (New York)	85	94	39	44
17. CMC Stereo (St. Louis)	70	77	55	56
18. Circus World (Taylor, Mich.)	67	80	141	142
19. Whitlock Auto (White Plains, N.Y.)	65	72	75	80
20. Schaack Electronics (St. Paul, Minn.)	65	72	60	60

*DSN estimate.
[a]Includes Radio Shack computer stores and franchised operations.

Off-price Garb Seen Top Growth Area

Nationwide DSN Report

Specialty chains, now registering a *DSN*-estimated $21 billion in annual volume, are gaining in power on the retail front.

DSN's list of the top 20 discount specialty chains, ranked by volume, gives a clear indication of who the leaders are in the emerging hot markets.

The most growth is expected from the off-price apparel segment business, now estimated at $5 billion. Much of the action there is being claimed by full-line discounters who are eager for a portion of the volume. K mart most recently joined the off-price apparel ring with its Designer Depots. Dayton Hudson unveiled its Plums store in San Diego earlier this year.

Zayre's two players in the apparel field, T. J. Maxx and Hit or Miss, both earned spots on the top 20 list and are both still expanding in store counts.

The top achievers in the specialty discount store field share more than the highest volumes in their respective categories. They are all committed to making changes as fast as their markets dictate.

Radio Shack, though not a traditional brand name discounter, is a high-volume, low-margin store, which has established a strong position as a source of personal computers, small electronics and most recently, telephones.

Toys "R" Us, No. 2 on the chart, built its following on a more traditional quality-brands-at-a-discount approach. Last year volume for the toy supermarket chain passed the $1 billion mark, averaging $7 million per store. Last year's 33% gain in sales resulted from an aggressive 24-store expansion plan plus a hard-hitting merchandising thrust into the highly volatile electronics field.

At the close of 1983 Toys "R" Us will be positioned for continued growth with stores in 37 states.

Marshalls, ranked No. 3, is the top performer in the burgeoning off-price apparel market. Faced with some strong competition from T. J. Maxx, Hit or Miss and J. Brannam in some markets, the chain recently took more upscale steps to distinguish itself from the piperack pack.

Western Auto, though shrinking in number of stores and slowing in volume gains, ranked fourth on the chart as the top auto parts retailer.

Marshalls, the top-volume chain within the growing off-price apparel industry (No. 3 on the chart), is projected to have sales of over $1 billion for 1983. Shown is New Orleans store. *(DSN photo)*

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K mart, Back on the Track, Is Expected to Hit $18B

TROY, Mich.—K mart seems to have been re-routed onto the right retail track, and the industry's leading discounter is set to power its way to new record sales and earnings.

The merchandising and operational changes put in place—ranging from a strengthened fashion apparel effort to installation of updated computer controls—are expected to boost company-owned volume in its United States and Canadian discount stores to at least $17.9 billion, according to a *DSN* projection, up from $16.2 billion.

Overall, K mart Corp. sales are projected to total at least $18.6 billion, up from $16.8 billion, as the improved discount store operation, including 60 new K marts, is joined by more than 30 new Designer Depot family apparel stores, 28 Furr's Cafeterias and the continuing variety store division.

The bottom-line impact of the turnabout in the chain's fortunes can be gauged by the first-half results in which net income jumped 144.1% on an 11.1% sales gain.

The K mart corporate and discount store sales don't include volume from Meldisco shoe departments which had $759.3 million in sales last year and are projected to hit at least $835 million this year.

K mart owns 49% of Meldisco (which has all of its sales in the discount chain), while diversified Melville Corp. has a 51% interest.

Sales Up

Sales in the discount stores, with the addition of Meldisco's volume, are expected to hit $18.7 billion, up from a total of $16.9 billion in 1982.

The moves that have channeled K mart back to its earlier performance level include:

- Augmented fashion apparel merchandising. The main element is the extension of the Names for Less section, which features branded ladies', men's and children's wear, to more than 500 K marts, along with the feeding in of such merchandise into other stores. Name-brand clothing is highlighted in ads to draw shoppers.

Beyond this, K mart has started to develop its own "name" private label program to gain more profits from fashion apparel. This effort, which mirrors similar moves made by traditional department stores, uses Hunter's Glen as the brand for ladies' wear, Hunter's Ridge for men's and Steeplechase for boys' as the upscale names while continuing with older brands such as Challenger.

- Inauguration of fashion merchandising for basic hard lines. Kitchen Korner is the name used for this fashion merchandising program in housewares in which name-brand and gift-oriented electrics and non-electrics are displayed under a 144-sq.-ft. red canopy on a chrome, high-tech fixture within the housewares department.

The Kitchen Korner area was first tested in 27 K marts in 1982 and is due to go into about 300 stores this year.

A Bed and Bath Shop that coordinates bath items with domestics is another illustration of K mart's infusion of fashion into nonapparel categories. This section is due to be phased into 300 stores this year.

- Tieing into hot merchandising areas. Consumer electronics, sparked by the growth in home computers and telephones, is one area that K mart is emphasizing through its Home Electronic Center; this department is due to be plugged into several hundred K marts.

Home improvement centers for DIYers is the other hot merchandise area being hammered by K mart: 5,000-sq.-ft. sections will be planted in 40 stores to start, with up to 500 centers the long-range goal. The center's focus is on name-brand hardware and home improvement goods like bathroom vanities, floor tiles, water heaters and kitchen cabinets.

A customer service center and vignettes are part of the new merchandising plan for the section.

- Branching into new discounting retail businesses. The prime example of this is Designer Depot off-price apparel specialty stores. First tested in a recycled Kresge variety store in St. Clair Shores, Mich., during the 1982 Christmas season, this venture is now set to unveil more than 30 new stores this year. This operation is under the direct control of the company's wholly owned K mart Apparel subsidiary, and the discounter has also connected with Fashion House, a Warwick, R.I.-based jobber, to insure the availability of name brands for Designer Depot.

K mart's other retailing test—Abra K Dabra food-and-fun restaurants—is on hold after two experimental units failed to perform as expected.

Furr's Cafeteria, instead, will get the restaurant focus, with 28 new stores spotted mostly in the Southwest and California.

The bottom line on the various steps under way at K mart is that the company is looking to improve its current operations by upgrading and refurbishing older stores and feeding in the newest merchandising and operational techniques.

The operational moves made by K mart include the planned test this fall of an all-electronic-controlled store which will include the complete computer capture of sales information at the checkout.

The discounter has already put into place its K mart Information Network (KIN) which electronically links all stores, 12 distribution centers and headquarters a year ahead of plan. A Scanner Ordering System that uses UPC codes has also been installed in all discount stores.

K mart's growth is being accompanied by a sharp cutback in the opening of new discount stores; only 70 are due this year, compared with an average of more than 100 during the 1970's, and the discount division's net growth will be only 53 units as 17 K marts are marked to close—the largest number in the company's history.

The discounter projects ending 1983 with 2,187 units that will maintain the chain's presence in 48 of the 50 states (plus Puerto Rico) and in 305 of the nation's 318 Standard Metropolitan Statistical Areas. (The discounter also has stores in all provinces in Canada.)

DISCOUNT STORE CENSUS '83/'84

Bradlees Is Seen Joining $1 Billion Club in '83

BRAINTREE, Mass.—Bradlees is poised to join a select club this year—discounters with at least $1 billion in sales.

The discount store arm of the Stop & Shop Companies retailing complex will check out at least $1,003 million in sales this year, according to a *DSN* projection, as it adds 21 stores to its count of 106 at the start of 1983.

Adding It Up

In reaching this sales level, the discounter will have almost doubled its volume in four years (from $540.1 million in 1980) while only increasing its store network 53% (from 83 units).

This accomplishment has been quietly carried out in the highly competitive Northeast, Middle Atlantic States and Chesapeake Bay Tidewater areas, a 12-state (and Washington, D.C.) market stretching from the Canadian border south to Virginia in which at least five major discounters have gone under during the same four years.

Bradlees, in fact, has been a leading beneficiary of the shutting down of these five discounters; its store growth in the past two years of 37 units has mainly involved the recycling of closed discount stores.

The dominant portion of this year's growth involves the 13 Memco recyclings (and one site on which a Memco was planned) as Bradlees' vehicle into two new markets—the Greater Washington Area (11 units) and suburban Baltimore (two units)—plus the strengthening of the discounter's presence in the Tidewater area with its third store in Richmond.

The only openings left for the year are in Burke, Va., in the Washington area; Catonsville and Dundalk, Md., in suburban Baltimore and a brand new store in Cromwell, Conn.

Bradlees has recycled other closed discount stores this year: a former Two Guys in East Hanover, N.J.; an ex-Korvettes in East Brunswick, N.J.; a closed King's in Guilford, Conn., and former Woolcos in Richmond and Virginia Beach, Va., and Nashua, N.H.

Last year, Bradlees recycled 11 ex-Two Guys in New Jersey and other shut discount stores accounted for the remaining five units.

Decreased Competition

The reduced discounter competition in the market area served by Bradlees has aided the chain and the other surviving discounters such as Caldor, Zayre and K mart (the latter two already in the $ Billion Club).

But, Bradlees hasn't relied on just this negative factor for its entry into the $ Billion Club. It has made a number of positive merchandising moves that have effectively positioned the chain as perhaps the leading exponent of the upscale discount format—a combination of name brands, fashion presentation of goods and pricing of similar goods below that of conventional department stores.

These steps include:

- Deep merchandising of apparel. Ladies' and men's apparel sales accounting for more than half of the chain's volume (with all soft goods totaling about 60%), testifying to Bradlees' commitment to wearables.

The chain's efforts include continued feeding in of name brands, the extensive use of department store-type displayers, offering of plus-sizes for women and suit-separates for men—apparel areas passed up by most discounters—and tieing into the latest trends such as the use of "Flashdressing" as a handle for junior apparel.

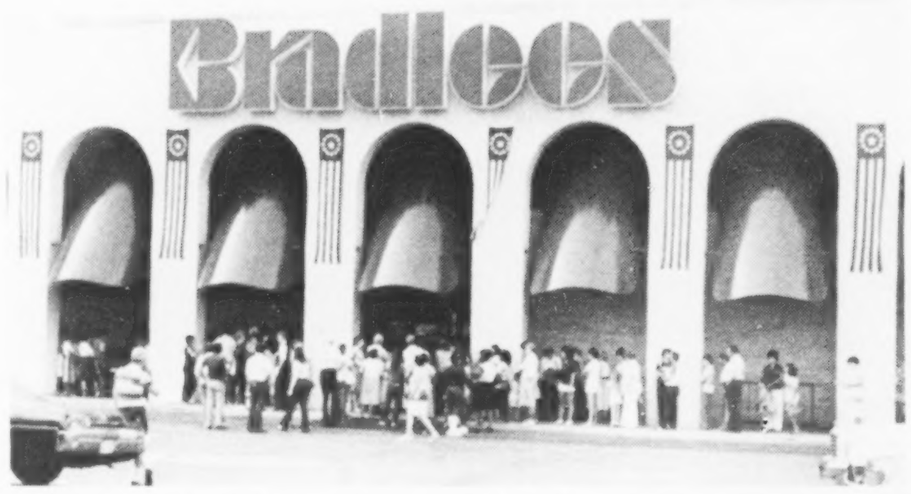
- Development of the home shop concept. This move has seen Bradlees group together all home-oriented hard goods like housewares and soft goods like domestics. But the idea of grouping has been refined so that the various merchandise areas are shown in department store-type shops for a greater emphasis on fashion and coordination of designs.

The shopification has resulted in highly focused areas for a specific category such as the Chain Shop and the Window Ways Shop. It has also led to broader shops like The Living Shop, a lifestyle concept area that featured KD/casual furniture, decorative accessories, area rugs and decorative pillows and acts as a bridge between housewares and domestics within the overall home shop presentation.

- Offering of specialty and service departments. The unveiling of 10 Washington, D.C., area Bradlees marked the debut of the discounter's book department carrying the well-known Barnes & Noble logo. Bradlees uses Barnes & Noble as its book resource and plays up the specialty book store chain's name to strengthen its position as a bookseller.

The Washington stores also included Bradlees' first beauty salons. These 700-sq.-ft. Hair Pro shops are leased departments and further denote the discounter's plan of emulating conventional department stores in merchandising and customer services.

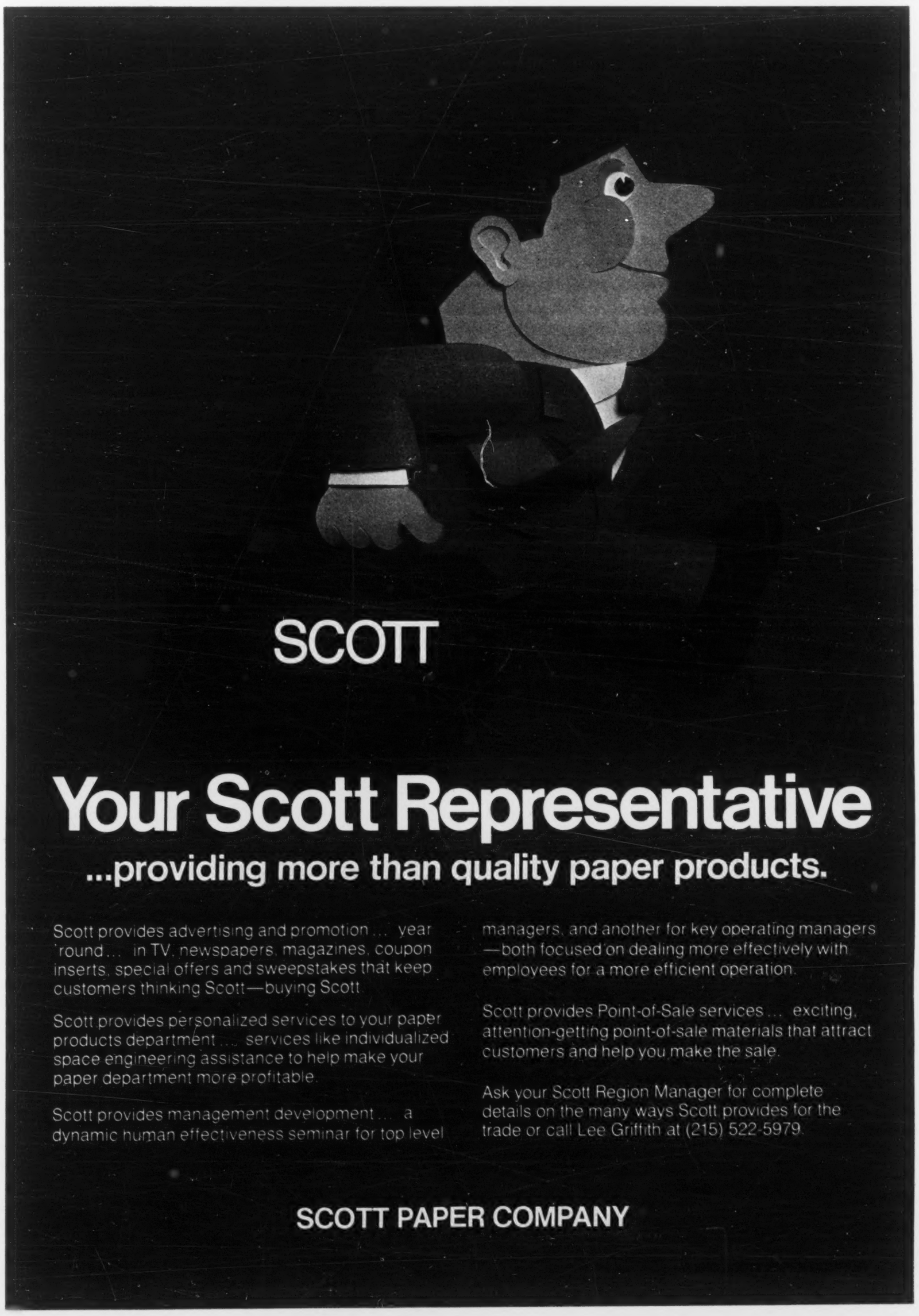
The desire to be similar to department stores has also resulted in the use of a service core in the consumer electronics section from which salesclerks can assist shoppers. The revamped consumer electronics department now includes a sound wall and marks Bradlees' re-entrance into the home computer business after a five-month hiatus devoid of that merchandise.



The invasion of the Washington and Baltimore markets leaves only one major East Coast area devoid of Bradlees stores. That's the Greater Philadelphia/Wilmington, Del., market, and company executives said there aren't any current plans to move there.

Any further chain expansion against other upscale discounters probably has to await the determination of the success of the moves into Washington and Baltimore. The discounter expects to recoup $100 million in sales from these two markets after spending about the same amount to refurbish 13 ex-Memcos and constructing one store on a proposed Memco site in Burke, Va.

The tipoff on Bradlees' long-range plans, however, is evident. The discounter this summer opened a 400,000-sq.-ft. distribution facility in the former Knickerbocker Toy warehouse in the Raritan Industrial Park in Edison, N.J., to serve its growth outside of the New England home base.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DISCOUNT STORE CENSUS '83/'84

Wal-Mart Projects 90 Openings, $4.3B Sales in '83

BENTONVILLE, Ark.—Sam Walton has his eye on 1,200 stores and $13 billion in sales by 1988. What's more, his near-evangelical zeal in setting—and then meeting—such goals has made believers out of Wal-Mart's employees and stockholders.

More immediately, the chain is shooting for sales of $4.3 billion this fiscal year—a $1.1 billion increase—with 90 store openings, bringing Wal-Mart to 620 stores . . . all without a major push away from its existing markets.

Such giant steps in growth have become a hallmark in Wal-Mart's operation. In the past 10 years, the chain has grown from $125 million in sales, to 551 stores with $3.4 billion in sales the last fiscal year.

Credit for the company's early growth spurt was laid to Walton's charismatic leadership. But, as the chain developed into a major retailing force, the magnifying glass under which it came revealed that the lion's share belonged to its painstaking attention to detail and merchandise productivity.

That kind of attention has Wal-Mart executives aiming to boost sales per square foot from about $140 to $200.

The increase is to be achieved through a "merchandise intensification" program—that is, a focus on specific items that will yield high-ticket prices. That program is already being implemented in several categories including maternity and plus-size apparel, electronics, paint, microwave ovens and accessories and an elementary education reading center.

For example, the focus on microwave ovens has yielded a new program involving extensive cross merchandising of the ovens, cookware and accessories.

The purpose: to win the big-ticket, low-margin sale on ovens while pushing add-ons of higher-margin goods.

The initial results have been encouraging, company executives report, with sales rising substantially higher than the $200 per-square-foot goal.

The higher price points haven't stopped there, either.

High-end Item

At some stores, Wal-Mart is selling satellite dish TV receivers—with prices topping the $2,000 mark.

Also in electronics, video cassette recorders have established a powerful presence—with price points nearly touching $1,000 per unit.

The strategy, as it applies to electronics, is to position Wal-Mart as the regional leader in CE, thereby increasing its ability to draw traffic.

Throughout virtually all departments, the growing emphasis has been on branded products.

Store growth and stricter inventory controls have also emerged as paramount in the Wal-Mart strategy.

Although the chain's concentration has been in existing trading areas, it has entered, if only on a limited basis, some new markets, including Oklahoma City, where two stores currently operate.

Additionally, its spinoff operation, Sam's Wholesale Club, is also beginning to grow, following a several-month-long shakedown period. The first warehouse unit has been operating in Oklahoma City; two additional units will open next month in Kansas City and Dallas.

No Change Planned

Unlike other large chains, Wal-Mart has no plans for a major commitment to point-of-sale technology. The chain does utilize a limited-application POS system tied to UPC scanners in 12 of its stores.

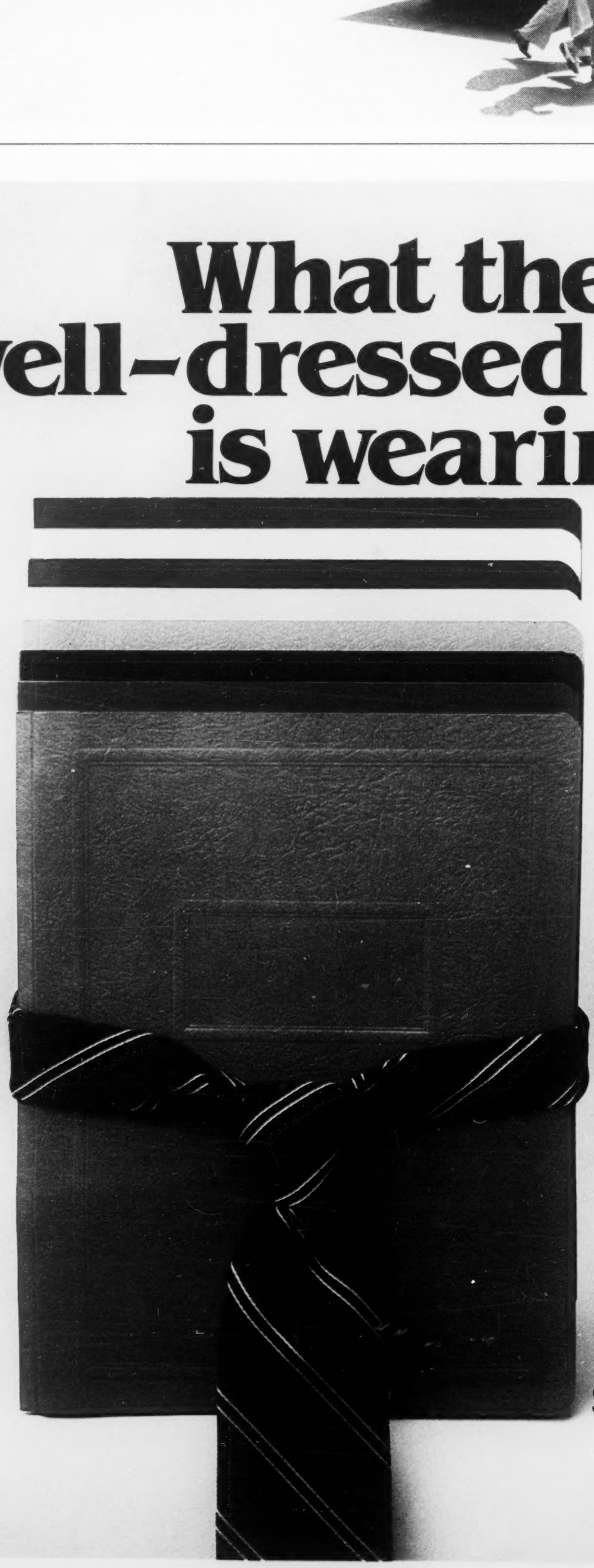
There its prime function has been to increase front-end productivity with added controls on shrinkage.

The results have been encouraging, company executives said. "Put-through" time has been cut dramatically by the system's 50% to 75% scan rate.

But, a very slow expansion of the program is planned—and then only for the chain's larger stores.

In the last fiscal year, Wal-Mart earned $124 million in net profit. When announced at the chain's annual meeting this year, that news combined with plans for a 2-for-1 stock split and future sales goals, sent Wal-Mart stock jumping 12 points over the next several days.

What the well-dressed report is wearing.



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DISCOUNT STORE CENSUS '83/'84

T.G. & Y. Refurbishes in Five-Year Turnaround Plan

OKLAHOMA CITY—T.G. & Y. is attempting to regain its financial health by losing weight and tightening up.

But, the five-year prescription written by acting president and ceo Larry Del Santo may contain some tough pills to swallow, especially for a patient set in its ways.

The first dose has already been administered, resulting in several reshufflings of the executive suite in 1983, along with tighter inventory controls and a store remodeling plan.

The five-year plan was pieced together by Del Santo shortly after his arrival from parent company Household International, which was responding to heavy 1982 losses at the chain.

Still in the early stages of the turnaround effort, the company projects a flat 3.5% volume gain for 1983, to bring its sales to nearly $2.2 billion.

Results should improve markedly, if Del Santo is successful. His projections call for T.G. & Y. to reach $3.3 billion in sales by 1988, an average 11.4% annual gain.

In order to reach that point—an admittedly modest one by industry standards—the chain will spend $118 million in capital to be spread among the refurbishing of the Family Centers, a new POS/MIS system and an upgrading of its warehousing and distribution system.

Additionally, a combined store opening and closing schedule will result in a net reduction of units—including variety stores—from 901 at the beginning of 1983 to 755 at the end of 1988. Earlier this year, the chain's closing of several units in Louisville, Ky., effectively resulted in its withdrawal from that market. Del Santo indicated there would be other markets lost during the restructuring effort.

A Step Forward

The store remodeling program, which got under way last April, should bring T.G. & Y. to within shouting distance of current industry practices: a race track has been introduced, merchandise is being moderately upgraded and has been planogrammed for the first time and store fixturing and layout have made upscale strides.

The chain's more successful AIM for the best Stores served as the "laboratory" for many of the Family Center changes, Del Santo said.

Many of the changes are cosmetic.

A new logo is in use, featuring slanted letters, "to suggest forward motion," Del Santo said. New, more modern looking store fronts have also been designed.

Inside, gondolas and other fixtures are higher and sleeker, and carpeting has been added to several departments. There is also a greater emphasis on the presentation being tight and clean.

For example, in one prototype store the number of feature bins with special purchase merchandise has been reduced by two-thirds, to just 42 tables running through the race track and drive aisles. The bins themselves have been replaced by modular tables.

New Strategy

The store layout has also been altered, with greater attention now paid to apparel, garden centers and live plants. Also, to capitalize on the fashion impact of the stores, the jewelry department has been moved to the area adjacent to the front doors.

Store managers and headquarters executives are also being held to new standards of accountability through their bonuses and other personnel programs designed to evaluate their effectiveness and productivity.

To date, the changes have already produced measurable improvements in sales and customer counts, Del Santo said.

A pivotal issue in the restructuring has been the recognition that T.G. & Y. is actually in three separate and distinct businesses: its Family Centers, variety stores and AIM for the best Stores.

Over time, the chain is calculating that acknowledgement will result in more noticeable differences in merchandise mix and approach, Del Santo said.

While he insisted the company plans to remain in the variety store business, Del Santo said growth in that segment of the business would be limited.

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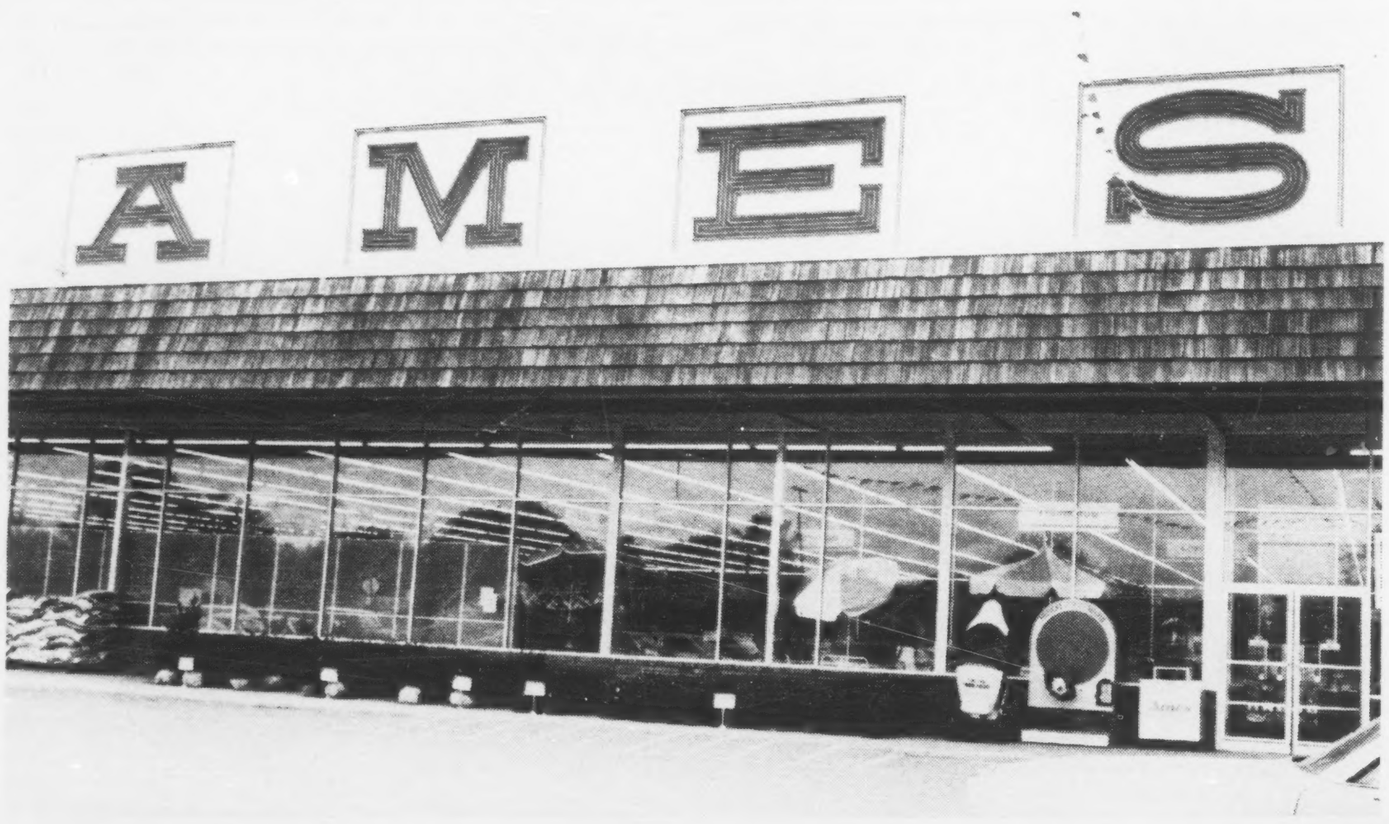
Pending King's Buy to Lift Ames' Sales to $580 Million



ROCKY HILL, Conn.—Ames is seeking to fly even higher with its impending King's acquisition.

The definitive legal form of the takeover—either a merger or a purchase—depends on negotiations being carried out by Kings' parent, KDT industries, and its creditors, stockholders and the Federal Bankruptcy Court.

Ames prefers the merger route, but if KDT can't deliver on its part of the proposed deal, Ames has a fallback agreement under which it would purchase the 42 King's.

Meanwhile, Ames has a management contract to operate the stores and has been running about half of them for the past five months. It expected to have the remainder reopened by the end of the month.

Company president Herbert Gilman said the 42 stores are expected to add a minimum of $160 million to Ames' sales during their first full year of operation.

Ames will only gain about half of this volume in its current fiscal year; however, those dollars, along with sales from eight new stores and the company's 20%-plus volume gains of the past few years are projected to boost discount store revenues to $580,300,000 for the year ending in January 1984.

This sales level for the discount stores would be a 49% jump from the $388,392,000 reported for the last fiscal year, which ended Jan. 29.

Discount store sales in that year accounted for almost 91.9% of total company volume of $422,806,000. Wholesale operations accounted for $34,414,000 or 8.1%.

Discount store operations have been improved by such moves as:

- Store remodelings. This effort was launched in 1981, when three units were refurbished. It picked up steam last year with 10 full remodelings and the remake of apparel sections in three other stores. This year eight Ames were remodeled during the first quarter as the discounter prepared for the updating of the acquired King's.

Gilman said that it cost $300,000 to $400,000 to remake an Ames, and the additional inventory put into the stores ranged from $150,000 to $250,000. "We have constantly seen sales increases in the range of 20% to 30% in the stores which we have remodeled," he said.

- New distribution center. Earlier this year Ames moves its distribution operations from an 87,000-sq.-ft. facility in Jersey City, N.J., to the former 300,000-sq.-ft. Woolco distribution center in Secaucus, N.J., which is now handling about 37% of the chain's merchandise. The discounter projects spending about $750,000 this year and $4,000,000 to $6,000,000 next year to upgrade the facility's equipment.
- Expanded and refined use of electronic point-of-sale (EPOS) equipment. Currently, 110 Ames have EPOS equipment and the discounter plans to have these electronic registers chainwide by the end of the year.

Keeping Pace

Refinements include adding an automatic price lookup capability for sale merchandise to avoid the labor and time cost of reticketing the approximately 600 items overall Ames features in about two dozen flyers.

Gilman noted that Ames ran a test to capture zip code information using EPOS. This program, instituted chainwide, will enable the discounter to develop sales information by zip code area to "pinpoint our advertising in developing demographic information for future use," he said.

- Adjusted prices. An item intensification program involving 35 to 40 products was launched in which these hard and soft line products were featured at sharp prices to reaffirm Ames' discount image in the face of competition.
- Direct imports. The discounter last year started a direct import program. While this was done "in a small way," Gilman noted that "we believe that a well-managed import program offers us considerable potential for profit enhancement."

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Target to Fill in West Coast and Sunbelt Markets in '84

MINNEAPOLIS—Target will pause to catch its breath next year.

The industry's third largest chain will slow down its fast-paced expansion plans in '84 to fill in West Coast and Sunbelt markets that the discounter entered this year with the opening of 39 new stores.

The discounter's No. 1 priority, chain executives said, is to strengthen the Target presence in its just-opened markets, rather than to move into new areas.

The West Coast expansion has put a temporary "strain" on the Target organization, the executives added. The merchandising and operational needs of the southern California stores have to be integrated into the total operation.

The Background

The discounter expects to follow the same growth pattern that resulted from its 1980 acquisition of 40 Ayr-Way stores. That takeover turned out to be a bigger than anticipated problem—the remade Ayr-Ways aren't expected to meet their five-year sales goal—and Target slowed down its expansion while it digested that acquisition.

When Target again opens the throttle on its growth, the new stores are likely to be in markets in and adjacent to the 21 states where the discounter has units, rather than making a major leap into Southeast and East Coast states that are already home to such similarly upscale discounters as Caldor, Bradlees and Richway.

Target's parent, Dayton Hudson, is interested in using the fashion-oriented discounter as its mass merchandising vehicle in markets that don't have a similar retailer, rather than having to try to cut out a market share in areas already served by upscale discounters.

The move into the relatively untapped West Coast will push Target's store count to 206 units by year's end. The growth from 167 stores in 1982 centers on the discounter's massive thrust into southern California through the recycling of 29 former FedMarts.

Long-range growth plans call for unveiling at least five dozen stores in the 1984-87 period, with another 100 to 150 during the subsequent five years.

Besides entering the southern California market for the first time this year with 21 stores in the Greater Los Angeles area and eight in San Diego, Target also debuted in San Antonio (six stores), Tucson (two) and Greeley, Colo. (one).

The move into southern California was made, chain executives said, because of a paucity of upscale discounters there, along with the generally weakened discounter presence caused by the closings of FedMart and Woolco and the Chapter XI filing by Zodys' parent, HRT Industries.

The tremendous opportunity foreseen for southern California could result in Target opening three to five new stores in Los Angeles to eventually hit 40 to 45 units.

The immediate results of the move, however, haven't completely met expectations. Dayton Hudson president Kenneth Macke, who had been Target's president at one time, said at the company's annual meeting that "We're not fully satisfied with the performance of those California stores, but we're confident about the opportunities that exist there."

Target sources said that the Los Angeles stores have been performing better than the San Diego units. Trade reports indicate that sales in both markets have been hurt by a boycott by unions that had represented FedMart workers.

The 39 new stores, most of which will have been open for at least six months by the start of the key fourth-quarter sales period, are expected to push Target volume to close to a *DSN*-projected $2.8 billion for the current fiscal year, up more than 16% from the $2,412,400,000 reported for the last year.

The discounter's operating profit for the fiscal year ended Jan. 29 was $150,100,000.

The discounter last year accounted for 43% of the parent company's total of $5.7 billion in sales, the largest of Dayton Hudson's retail segments. Its operating profit accounted for 33% of the $459,900,000 reported by Dayton Hudson.

Target isn't just banking on new stores to spark its sales and income growth. The discounter has also undertaken a number of new merchandising pro-

(Continued on page 121)

Invasion Of S. Calif. Was Dear

LOS ANGELES—Target's entry into the southern California market didn't come cheaply.

The discounter took over 21 former FedMarts in Los Angeles and another eight in San Diego as its initial thrust into the West Coast. (Another four were acquired in Texas and Arizona.)

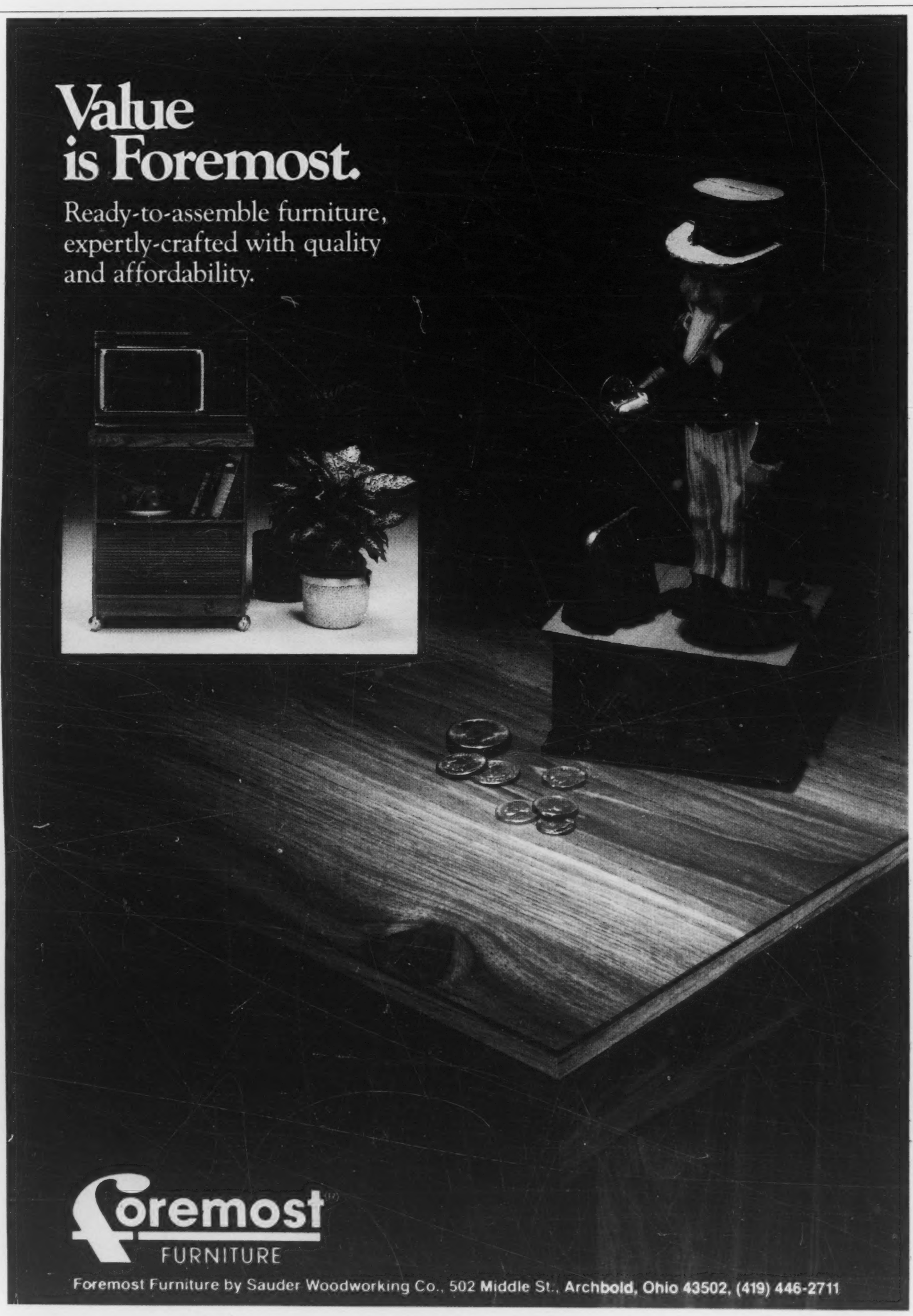
While the rental costs for these 33 stores weren't listed in the annual report issued by Target's parent, Dayton Hudson, $16,300,000 in start-up costs for the discounter were noted.

The annual report stated, "In 1982, Target's start-up expenses rose due to the conversion of 33 discount stores for which Target acquired leases during the year."

The discounter's start-up expense in 1981 was $12,600,000, which covered the remodeling of 40 acquired Ayr-Ways.

The report went on to note, "Because we have been incurring rent and start-up expenses [for the 33 Targets] while the stores were closed for remodeling, they had a negative impact on our 1982 earnings of 16¢ per share."

That works out to $7,697,600 in expenses before Target checked out its first sale and made its first dollar in those 33 stores.



Zayre, Gaining 9 Stores, to Pass $1.75 Billion Mark

FRAMINGHAM, Mass.—Zayre is continuing its measured growth, which will see the discount operation this year gain nine more stores and pass the $1.75 billion sales mark.

The nine stores are the net gain from the opening of about 15 units and the shutting of six older Zayres, to give the chain 272 stores at year's end. The discounter is concentrating its expansion in markets such as Chicago and Miami where it has a strong inner-city position.

DSN projects Zayre's discount store sales will go to $1.778 billion this year as compared to $1.616 billion last year. The discount operation accounts for the dominant portion of parent Zayre Corp.'s total volume.

Total corporate sales of $2.2 billion last year are expected to go to about $2.5 billion this year as Zayre maintains its strong off-price specialty store expansion commitment. About 30 T. J. Maxx family apparel stores and double that number of Hit or Miss women's apparel outlets are planned for this year.

Strengths Examined

The much faster growth of the two off-price apparel operations reflects their lower expansion costs, the easier ability to find locations for these smaller stores and the greater return expected from specialty store retailing as compared with the more mature discount store industry.

While the Zayre discount stores have been spotted only on the East Coast and Midwest, the off-price stores are already in The Rocky Mountain States markets and are eventually expected to jump to the West Coast.

The net result of this faster push into specialty retailing has been a slow decline in Zayre discount stores' percentage share of total corporate sales and operating income despite the actual dollar gain in both measurements.

Last year, the discount stores accounted for 75.5% of sales and 53.9% of operating income, both declines from the previous year. The percentages for 1981 were 79.7% of volume and 57.7% of operating income.

Keeping Pace

While the specialty store operations have loomed larger within the overall Zayre corporate structure, the discount arm continues to be upgraded to improve operations and, thereby, maintain market share.

Among these efforts are the planned equipping of all Zayre stores with electronic point-of-sale registers by year's end. These terminals will reduce labor costs by eliminating the need to re-mark merchandise before and after a sale and improve customer service through faster checkout.

The discounter has refined its field operations by breaking down its chain into 30 districts, with the manager in each administering a small number of stores, seven-10, for better control.

Malcolm L. Sherman, president of Zayre Stores, called the revamped district setup "a very successful venture, though there is still fine-tuning to be done." He cited more hands-on supervision, improved zone staff work and lower costs as immediate gains.

Its more obvious change to the public, however, is its aggressive new customer service stance. Having tested several new service policies in the Boston and Providence markets, the chain has rolled out the program to include Chicago, Birmingham, Atlanta and Memphis.

In each market, local TV and radio commercials broadcast that Zayre is offering a 10% reduction on the price of merchandise if a raincheck has to be given for an out-of-stock advertised item.

In addition, the chain promises to open additional checkout registers whenever there are three customers in each checkout line.

Zayre has further reinforced its general in-store services, such as its layaway program, senior citizens policies, service desk and service phones.

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DISCOUNT STORE CENSUS '83/'84

$1 Billion Volume Is in the Works at Caldor

NORWALK, Conn.—With the $1 billion sales goal clearly in sight, a record number of new stores opening this year, and two new trading areas—Baltimore and the Long Island suburbs of New York—penetrated, Caldor is well-positioned to reach new heights during 1984.

Caldor, Associated Dry Goods' largest division, ended fiscal 1982 with sales of $925 million with 79 stores operating. By the end of February, sales for the new year had already topped $126.4 million.

For the first six months of the year, ADG reported that its discount division had sales of $491.8 million—an increase of more than 27% over the same period in 1982. The division now also includes Loehmann's, the off-price women's specialty operation acquired by ADG during the first half.

With only five new stores brought on board last year Caldor still increased sales roughly 19%. This year, with about 15 new stores planned—and more than five opened by the end of June—Caldor should have no problems with a minimum 20% sales increase for the year. By January 1984 the chain expects to have 96 stores in place.

In addition to contributing a hefty portion of ADG's total sales, this year Caldor did its parent another good turn. It took over the five Baltimore locations vacated when ADG closed its ailing Stewart department stores.

The first of these former Stewart stores opened in July at the Golden Ring Mall, a regional center also anchored by The Hecht Co. and Montgomery Ward. Caldor's 110,000-sq.-ft. Golden Ring store was the second of six units curently planned for Baltimore. The chain had already opened a 90,-000-sq.-ft. store in the Severna Park Mall, near Annapolis, a former Woolco site.

Woolco's shuttering also provided Caldor with its entry into Long Island. Caldor took five stores, all in Suffolk County; all were opened by mid-1983.

The opening of these five stores made New York Caldor's second largest state market. In mid-1983 the heaviest store concentration was still Connecticut, with 29 stores. New York with 23 stores passed Massachusetts where Caldor operates 21 stores.

Expansion Planned

To serve its growing presence in the mid-Atlantic states, Caldor also broke ground for a new 450,000-sq.-ft. distribution center in North Bergen, N.J. Caldor currently operates a smaller distribution facility in Secaucus, N.J.

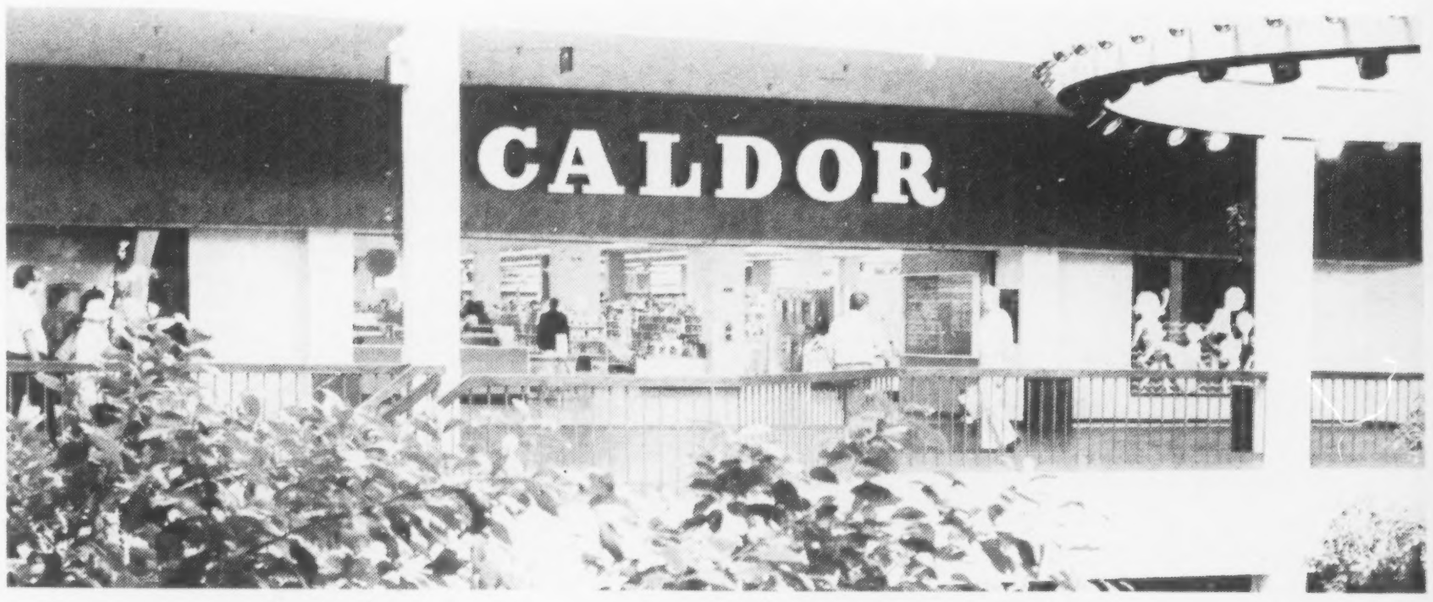
On the merchandising front, the chain has taken steps to boost its percentage of soft goods sales—still hovering just above the 30% mark.

In men's and women's apparel, merchandise presentation has been upgraded. Opening and top price-point levels have been raised in a dual effort to offer customers better quality merchandise and establish quality levels more consistent with the higher-end hard goods traditionally associated with Caldor.

For example, in women's and junior-sized dresses for fall 1983, the opening price will be $25, compared to last year's $20; and last fall's top price level of $30 has been abdicated. In women's/junior sportswear the chain is moving away from the former $3.99 opening price in knit T-shirts and setting a new $4.99 opening level to bring customers a higher quality garment. A parallel move is being made in that category in the men's area with Caldor gradually moving out of promotional "table goods" in knit and woven shirts.

This past year Caldor has put a major emphasis behind the development of its top-of-the-line private label merchandise under the Marc Robbins label—featured in all soft goods areas, including domestics. One reason for this Robbins push, according to chain executives, was to set up systems for better merchandise quality control. With the Robbins program Caldor buyers are completely involved with merchandise development, working with manufacturers on fabric selection and garment cut-make-trim.

One of the latest Marc Robbins programs to hit the selling floor is in women's hosiery. The Robbins hosiery—in designer-type packaging—represents



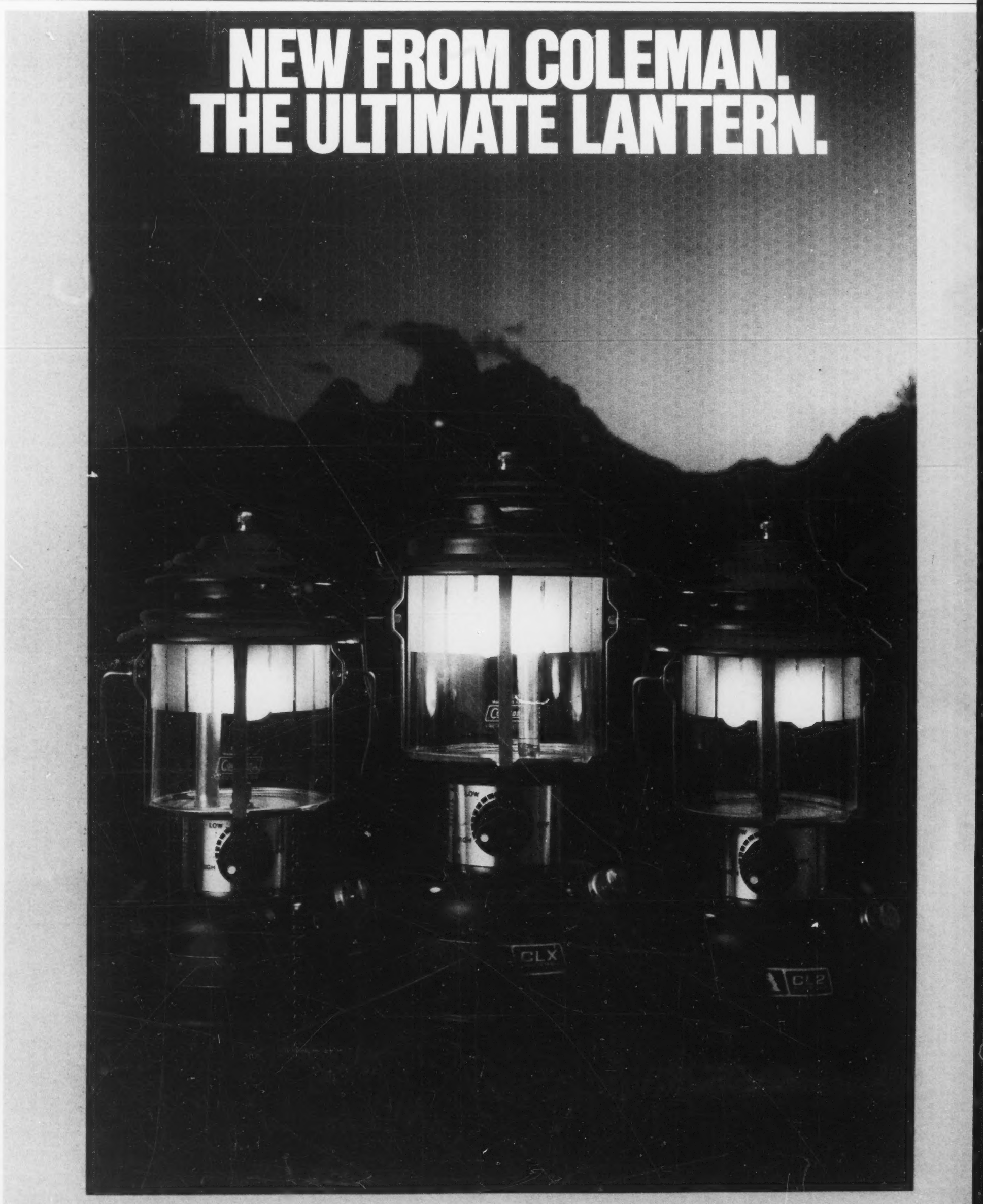
Caldor's top prices in hosiery and joins the "Caldor" private label program. These two PL programs now make up Caldor's total women's hosiery department; no brands are stocked.

Also recently added were men's Marc Robbins dress shirts, a single-needle construction shirt in 60% cotton/40% polyester. The Caldor retail for the shirt is $14.99 with chain executives maintaining that a comparable shirt at department stores sells for $22.

This fall the dress shirt program is being expanded with a fitted version of the same item to sell for $16.99.

Another apparel development was this spring's breakout of separate junior and petite women's departments, giving Caldor a full complement of women's wear areas. Management described its new junior business—which has its own buyer—as "exploding" since it was spun out of its double-ticket combined misses/junior status.

Caldor, at presstime, was in the market for a new president, following the resignation of Dennis S. Bookshester, who resigned. Bookshester, who joined the operation in January 1982, left to go back to his department store roots, becoming president and ceo of Chicago-based Carson, Pirie, Scott.



Hills Is Poised to Pass $1 Billion Mark in 1983

CANTON, Mass.—Hills has been flexing its muscles in several directions in 1983, and the end result will be a new member of the $1 billion club.

Management projects sales of $1.1 billion for fiscal 1983, ending Jan. 29, 1984, about a 20% gain over fiscal 1982.

Equally impressive is Hills' bottom line. Net income last year was in the affluent neighborhood of $29.4 million, giving the chain a 2.5% net-to-sales ratio on company-owned sales of $894.4 million, exclusive of the roughly $85.1 million sales from leased areas.

These sales levels also give Hills one of the highest sales-per-square-foot-of-selling-space performances in the industry—about $140 in fiscal 1982 and $142 projected for fiscal 1983.

Hills, the largest sales and profit contributor to its parent, SCOA Industries, has also been aggressive in building store count. The chain ended last year with 99 units, and it plans to open a total of 17 this year, making 1983 Hills' most ambitious store expansion year yet. The total count will be 116 stores by 1984. Another 12 stores are scheduled to open in 1984; no locations have been announced.

Among the 17 opening this year are nine former Woolco stores. Three of them put Hills into the Toledo, Ohio, trading area for the first time. The Toledo stores, opened in early September, are just over 100,000 sq. ft. with 72,000 sq. ft. each in selling space.

Hills has been experimenting, in selected test stores, with new upscale merchandise presentation techniques. Several of them have passed muster and are being installed in new units and rolled out in existing stores. Among them:

- The back wall areas of several apparel departments, traditionally "sleeved out" at Hills, are shifting to a combination of "garment front" and "sleeved-out" display. New stores will use the combination.
- A feature aisle of cube fixtures for sweaters and knit tops in women's sportswear is being placed in all new and some existing stores. The chain is using similar fixtures for some merchandise in men's wear.
- New presentations have been approved for lamps and pictures/posters. Lamps are being displayed on new gondola runs; pictures/posters are getting a new on-the-wall presentation.

Hills is also testing a separate full-figure department in women's apparel and new fixtures for handbags.

Hills has also been continuing its efforts to add nationally known brand names to its apparel lineups. Among the brands included in Hills' back-to-school circular were: Garan, Levi's, Chic, Lee, Gitano and McGregor.

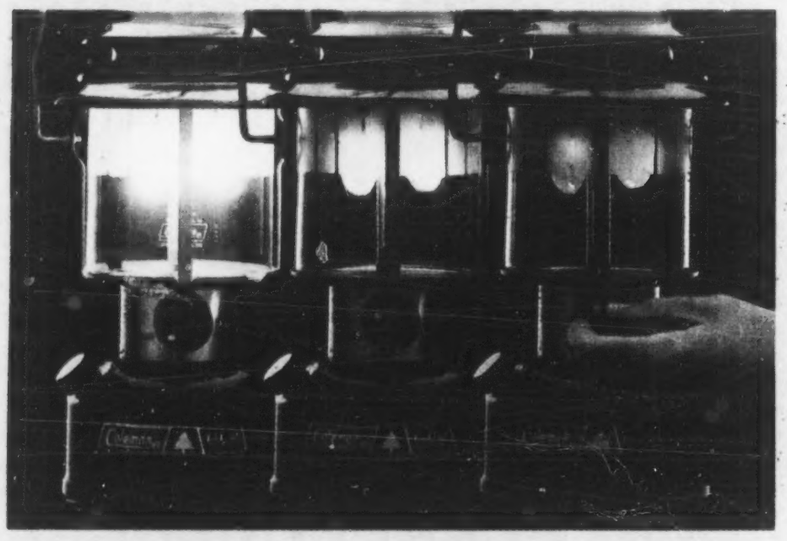
The circular also featured Workable Separates, a Hills "captive label," for misses separates in proportioned sizing.

The back-to-school circular incorporates an advertising strategy new for Hills this year. The chain is focusing attention on apparel made in the United States by earmarking items, in newspaper ads and circulars, "Made In U.S.A."

Spokesmen for Hills commented that Hills has a higher percentage of domestically made apparel than the majority of chains, and highlighting that merchandise has prompted positive feedback from customers.

That's a big statement, considering that the Coleman® Lantern has become a legend for toughness and performance. But then, we've made some revolutionary technical breakthroughs that let our new "Gold Standard" lanterns set ultimate standards of performance, consumer value and saleability.

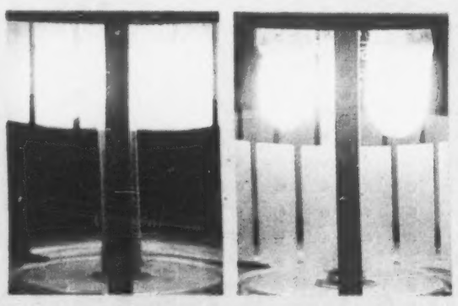
Ultimate control.
One knob does it all. To light, just hold a match to the mantle and turn to the High setting. Then

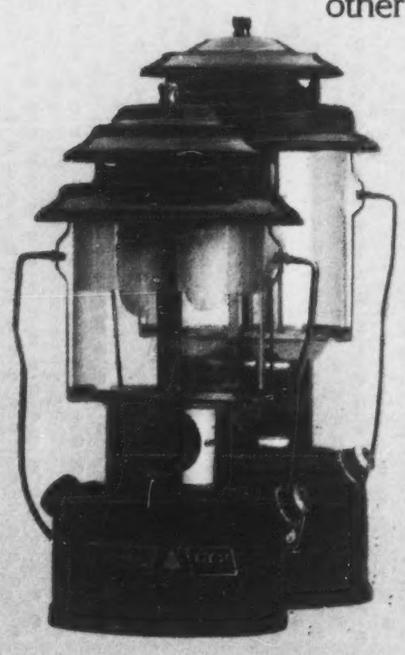


adjust from full bright to mood light. (At lower light levels, you can also save fuel.) This new simplified system even cleans the generator tip automatically for efficient, dependable performance.

Ultimate soft light.
This new globe has a reversible frosted stripe to soften light, up or down.

Ultimate in new, efficient size.
The CL2 here is 30% more compact, easier to fit into your car trunk, but gives you the same big, full circle of light as before. It outshines a mere spot or dim fluorescent glow – and operates at a fraction of the cost of any other portable outdoor light.





Ultimate in standby light.
For use during power outages, bad weather, emergencies. Just put a match to the mantle, open the valve, and you have dependable light.

3 new "Gold Standard" models.
The double mantle CL2. The single mantle CL1. And the super high power CLX, with 36% more adjustable light. All have ultimate features. All have Coleman quality for dependable performances.

Ultimate retail support, too.
We'll kick-off with a dramatic full-color "Gold Standard" campaign generating over 32,600,000 impressions targeted to outdoor-oriented men 18-44 with 16 insertions in 9 leading magazines.

There'll be bold new packaging.
To make the "Gold" pop for consumers. And point-of-purchase to help you dramatize the "Golden" difference on your shelves.

A "Gold Rush" in-store.
Every Coleman ad will promote a Gold Rush Sweepstakes – with P.O.S. display and entry coupons available in your store.

And of course every element is designed to build awareness of the ultimate Coleman "Gold Standard" lanterns…while building ultimate traffic and sales for you.

Call your Coleman Man for all the details. And start prospectin'.

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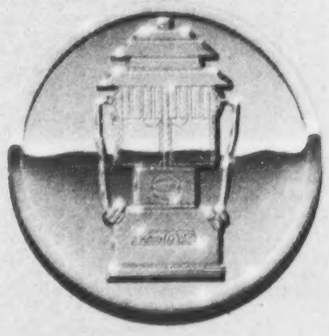

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Gaylords Grows in Southeast

SECAUCUS, N.J.—Having increased working capital and short-term unsecured lines of credit during the past year, Gaylords seems poised for further expansion in the Southeast.

Raising its working capital to $12.8 million from $11.3 million a year earlier, the chain also boosted its short-term unsecured credit lines—which were unused at the end of fiscal 1982—by one-third to $12 million. It got a more favorable interest rate, to boot.

In large part, however, Gaylords is pinning much of its long-term hopes on Joseph Nusim, its executive vice president, whom it obtained from Jamesway last winter.

With his first year at Gaylords still uncompleted, Nusim has already begun programs intended to strengthen buying, merchandising and operations at the Secaucus based chain.

New Attempts

Having cited "more regular business and less ad business" as one of his key goals, Nusim has initiated a vendor evaluation program so Gaylords can deliberately channel more business to its best producers. The chain will hone in on vendors whose sales performance, merchandise mix and distribution setup blend best with its regional focus.

Further, Gaylords will emphasize targeted key growth areas like ladies' apparel, men's wear, housewares, health and beauty aids and sporting goods. It will continue to redesign stores to meet its new format.

Among other merchandising programs recently begun are an open buyers' day, wherein vendors can see merchandisers without appointments; a strengthened competitive shopping program, intended to keep prices sharp on key brand name items on which shoppers are particularly price sensitive; encouraging a greater role by store managers in developing promotional programs, and

(Continued on page 125)

Cook United Eyes Black Ink From Improved Operations

MAPLE HEIGHTS, Ohio—Cook United is concentrating on its discount stores.

Following two years of losses, a shakeup in the executive suite and a reduction in its commitment to wholesaling, executives at the troubled chain say Cook is ready to move into the black.

If it comes, however, the black ink will be drawn from improved operations—not an increase in sales.

Company projections for the current fiscal year are for a virtually flat 3% gain in sales: to $619 million from $600 million a year ago. This year the company will run 114 units compared to 118 in 1982.

Chairman Harry M. Broder and president Russel Hansen, who has been in that post nearly three months, are counting on an improved in-stock position, stepped-up advertising and a newly implemented housekeeping policy to lay the groundwork for a turnaround in sales.

Broder stepped in as chairman and ceo in February, after the board of directors asked George Jeffers to resign from the post of president and ceo. Immediate tasks included cuts in the top-heavy management of the discount operation, which includes Rink's, Cooks, Consolidated Sales Company and Uncle Bill's; finding a new president for the company and cutting overhead.

Further Attempts

The company took several steps designed to result in a $2.5 million reduction in Cook United's annual costs and to refocus the company's business on its retail operation:

- Divisional offices in Baltimore, Toledo and Louisville were closed making Cleveland the central buying office.
- The four retail divisions were consolidated into two. Divisional management personnel were reduced from 24 people to six.
- Its hard lines distributing and wholesaling company Stem-Nickman was shuttered.
- Its single-unit catalog showroom operation, Stratford Jewelers and Distributors, was also closed.
- The company sold Future-Pak, its plumbing equipment packaging and supply business.

In late June, following a six-month vacancy in the job, Russell Hansen was named president and ceo. Hansen, a 35-year veteran of K mart, is credited with that chain's creation of the Designer Depot off-price apparel chain, and his hiring by Cook was purportedly tied to an increased soft lines effort. Hansen had resigned from K mart in January.

According to Broder, the chain is rolling out a new layout, refixturing and testing a remerchandising program in apparel in its prototype stores.

Although the chain continues to stock some name brand apparel, the current emphasis is on nonbranded goods at sharper prices.

Related Move

In addition to changes in the soft lines departments, Cook United is seeking to expand its offerings in housewares and seasonal items, including lawn and garden and trim-a-tree.

The liquidation of Stem-Nickman and the sale of Future-Pak will force it to develop new sources and revamped offerings in hardware and plumbing.

With the integration of the 47-unit Rink's stores, which the company bought in 1981, just completed last year, Cook United isn't planning to open new stores during the remainder of 1983 or in 1984. Instead the company will work to refine its new centralized data processing systems, which shift the responsibility for margin and inventory controls from the store managers to the corporate office.

As part of the new program store managers will be trained to concentrate on customer service and merchandising techniques.

The company's 1983 program includes a rollout of the refurbishing plan, with no major remodelings slated. Stores will be repainted and refixtured. Also during the remainder of this fiscal year, Cook United stores will adopt new departmental signing with a standard orange, beige and white color scheme chainwide.

This year Cook is expecting its discount operation to account for 90% of the company's total revenues.

In 1984, Weber breaks through the myths about barbeque grill sales.

MYTH: "When it comes to barbeques, there's no real brand awareness."

FACT: For years, we've outspent the rest of the barbeque industry *combined* to plant our name in your customers' minds. Today, Weber is the nation's number one brand... and in 1984, we'll be spending more than ever—so your customers will ask for Weber by name.

MYTH: "You can't make profits in the barbeque department."

FACT: You can with the Weber Dynamic Season™ program. Many of your customers will trade up to Weber's extra-value colors or Weber Gas Kettles—if you display them.

And every Weber owner is a candidate for our high-margin accessories or the top-of-the-line The Web™ electric bug-killers, too.

MYTH: "The best approach to barbeques is to keep your inventory low."

FACT: That's the best way we know to *lose* sales. No dealer gets stuck with leftover Weber inventory... in 1983, many dealers were out of stock and out of luck by Memorial Day! Order deep!

MYTH: "The barbeque department should go up April 15 and come down July 5."

FACT: The barbeque department should be making money for you whenever your customers are cooking outdoors—in some areas, that's year-round! Weber's Dynamic Season planograms adjust the *size* of the department to the time of year, region of the country, type and size of store. Just ask your Weber rep!

FACT: In 1984, the Weber line will be making money for just about every kind of store you can think of!

FACT: Nobody gives you more comprehensive support, including heavy network TV advertising, Dynamic Season planograms, P.O.P. materials, detail help and more!

FACT: At Weber, we got to be #1 by helping retailers succeed with our products. And helping you succeed is going to keep us #1.

weber®

#1 and that's a fact.™

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Venture Plans 8 Bows in '84, Including 1st 2 in Omaha

ST. ANN, Mo.—Venture lans a major expansion pro- ram for next year that will in- olve eight new stores, includ- ig its first two in Omaha, as it oses in on its goal of 60-plus nits and $1 billion in sales by 985.

The upscale discounter, a di- ision of May Department tores, is set to add four stores his year to its base of 47. That ove, *DSN* projects, will boost ales to the $782 million level.

Last year the discounter hecked out $680.3 million in ales and had an operating in- ome of $30 million, or 4.4% of olume, from 47 stores. Those ures were Venture's best re- ults since 1978, when the chain st undertook a major expan- ion drive by taking over 13 ex- urn-Style stores in the Great- r Chicago market.

The upturn in Venture's for- unes is fueling its new expan- ion effort. This year it will in- lude the chain's first three tores in the highly competitive klahoma City market and a nit in Springfield, Ill., part of he plan to fill in the open paces of Illinois between Chi- ago, where Venture has 24 its, and the Greater St. Louis arket, where it has a dozen.

Area of Reliance

Venture's expansion follows a b and spokes pattern in ich the discounter firmly ounds a base of stores in a ajor metro market and then lds units in communities on v highway "spokes" radiating m that central point.

The tentative plans for 1984 s well as the stores already t for this year) illustrate that tern. Next year, the new res, besides the duo in naha, include two in Chicago d two more in the surround- g suburban market, another nit in suburban St. Louis and ne in Topeka, Kan.

The last-named will launch ne filling-in of locations be- veen the Greater Kansas City ub, where Venture already has six stores, and the planned new hub of Oklahoma City being developed this year.

New-Store Plans

The 12 new Ventures planned for the 1983-84 period will be followed by seven in 1985 as part of the chain's measured growth. Venture president Julian Seeherman said "every move will be planned and programmed" to avoid the problems created by the rushed acquisition and opening of the 13 former Turn-Styles in 1978.

Venture's recovery has positioned the chain for its new growth plunge.

Its merchandising and operational moves include:

- The opening of its second distribution center. That facility, in O'Fallon, Mo., serves the St. Louis and metro Kansas City markets and joins the facility in Bedford Park, Ill., which was added a few years ago to handle the Chicago stores.
- Greater emphasis on apparel. The chain has developed a new store prototype that has apparel taking up the entire infield within a race-track format.
- Sharper self-service focus. Remodeled stores feature new signing, redesigned checkouts that offer faster service and fixtures that provide for easier selection of merchandise within the traded-up image that Venture is going after.
- Expanded number of departments. The discounter is adding such service sections as beauty salons, auto service centers and pharmacies to stores that don't have them. It's part of the chain's effort to give customers more reasons to shop Venture, rather than a competitor that doesn't offer these convenience sections.
- Upgraded electronic terminal functions. Bank and other non-May Department Store credit cards are now accepted due to the automatic authorization of these cards via the electronic point-of-sale registers. This move has made Venture one of the first discounters to offer on-line credit authorization.

Of Venture's $680.3 million in sales last year, the discount stores accounted for 97.8%, with the remainder coming from Colonel Day.

Leased sections within Venture produced another $2,441,000 in volume.

The discounter, overall, checked out 18.6% of total May Department Store volume in 1982 and its $30 million operating income accounted for 8.9% of the parent's total.

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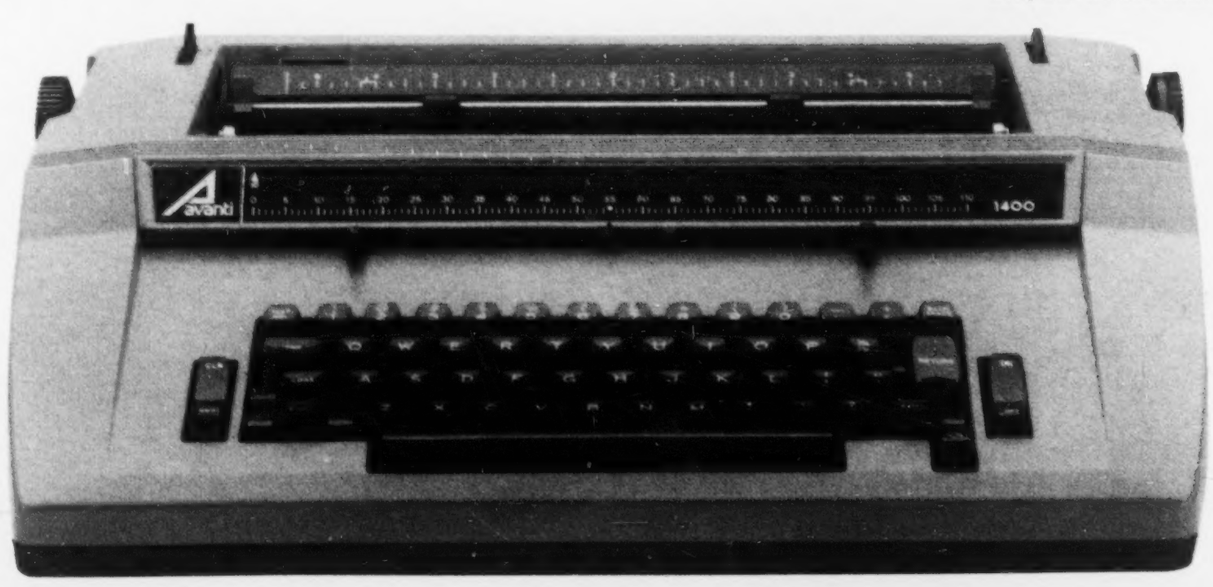

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Interior Facelift Gets Priority at Murphy's Mart

McKEESPORT, Pa.—As Murphy's Mart becomes an increasingly important part of G. C. Murphy Company operations, the parent is striving to increase productivity per store while selectively expanding the number of discount store sites.

To this end, continued upgrading of Murphy's Mart interiors remains a priority. The chain feels the facelifts help to widen its customer base with traditional department and specialty store shoppers, while easing efforts to make its merchandise mix more upscale and profitable.

Last year, for instance, the chain converted 39 Murphy's Marts and opened five others with the new look. By the end of 1983, 88 are expected to sport the new look—marked by earthtone colors, improved signing and heavy display emphasis on several key targeted departments: ready-to-wear, accessories, intimate apparel, jewelry and cosmetics.

Coupled with this newly heightened fashion approach, the 116-store Murphy's Mart discount chain accelerated delivery of fashion merchandise to stores by shuttering its fashion distribution center last December, and opted for alternate shipping methods.

New Approach

The company also adopted a conservative buying approach, aiming to limit overstocking and the need for large profit-eroding markdowns. Citing the ability to obtain goods easily last fall and winter "if sales were to exceed expectations," Charles H. Lytle, president and Thomas F. Hudak, chairman, wrote in a letter to stockholders that it resulted in "a substantial decline in markdowns during the last half of 1982."

Strategies like this helped G. C. Murphy to record sales and net income in fiscal 1982, which ended Jan. 27, 1983. Sales rose to $822.3 million, up from $817.8 million a year earlier. Of that total, Murphy's Mart units accounted for $530.9 million, or 64.6% of volume, compared with $495.7 million, or a 60.6% share, during the year earlier period.

Improvement Reported

Improvements in the company's sales per square foot were attributable to the strength of Murphy's Mart. Companywide 1982 performance of $81.14 topped the year-earlier level of $79.17, but Murphy's Mart led the company with a $102.85 sales-per-square-foot contribution in fiscal 1982 compared with 1981's $100.52.

Net income was propelled to $11.7 million in 1982 from $4.9 million a year earlier, reflecting corporate efforts to take higher margins on merchandise, improve store productivity, contain costs and control inventory shrinkage.

One way the chain trimmed costs was by reducing the number of sale items in each circular, and thus the size of each circular. The result: shoppers were still attracted by advertising, while the chain slashed its promotional markdowns.

G. C. Murphy also initiated a shrinkage control incentive bonus program, wherein savings in excess of set goals per store would be shared by employees.

Apparently well set for growth, G. C. Murphy remains cautiously optimistic. "Even in the event of a relatively strong economic turnaround, it may be an extended period of time before many of the people in our traditional customer base are re-employed and fully recovered from the traumatic economic disruption in their lives," Lytle and Hudak wrote stockholders.

Of a modest five new Murphy's Marts scheduled for 1983, three will be new and two will be conversions of conventional units. They'll be in Baltimore and Frederick, Md.; Bridgeport, W.Va.; Lebanon, Ohio and Maysville, Ky.

At the end of this past July, G. C. Murphy operated 411 stores, including 116 Murphy's Marts. Since this past Jan. 28, the discount chain has operated its previously leased in-store automotive and sporting goods departments. Believing these areas hold good profit opportunities, Murphy's Mart decided to make its automotive merchandise selection more conducive to self-service, and to broaden its sporting goods assortment.

Gemco Upgrades to Defend California From Target

DUBLIN, Calif.—Gemco is positioning to protect its home turf by upgrading its presentation, a strategy that includes some upscale merchandise, a store renovation program and the development of a trendy gift-oriented catalog.

The battleground is the discounter's Los Angeles and San Diego markets, both invaded by Target earlier this year. Gemco executives have made no secret of their objective to counter that entry.

Gemco's 44 stores in those markets represent more than half of the chain's 80-units.

The Target incursion came only a few months after Gemco shuttered its struggling East Coast Memco division—selling the 13 units to Bradlees.

Chain executives have indicated that their greatest concern is retaining their current customer base in the membership-only club. Lifetime membership at Gemco can be had with a one-time payment of $1.

Changes in the Gemco merchandise strategy include an increased emphasis on nationally branded soft goods—Target's strong suit—with particular attention on widening assortments.

They will continue along the lines already in evidence in Gemco's current prototype, most notably through the breakout of a new area in women's apparel—a 1,200-sq.-ft. section called "The Outlook"—where much of the upscaled merchandise will be displayed.

The prototype stores—120,000-sq.-ft. units in Bakersfield and Chico, Calif.—have added 3,000 sku's of soft lines merchandise, with some additional hard-line changes in departments such as jewelry and consumer electronics.

Not Fully Utilized

However, not all of the changes will be moved into the existing Los Angeles and San Diego stores; only three new stores scheduled to open this year in Los Angeles will be designed to prototype, according to Ken Cope, controller for Gemco's parent, Lucky Stores.

Instead, the greatest focus will be placed on cosmetic changes—in upgraded signing and fixturing of the units—since complete renovations would be too costly and time consuming, Cope said. Even so, he said that the changes to be made will take about one year to complete.

In the meantime, the chain has begun polishing its image with the addition of two publications to its direct-mail advertising inventory.

One, the *Gemco Membership Update*, is patterned after a community weekly newspaper, only its "news" stories are advertising. It appears to be the new generation of the Gemco *Courier*, which for years the chain has patterned after the old *Saturday Evening Post*. That publication will continue.

The other publication—a catalog—almost represents an entry into a new business for Gemco.

New Move

The *Gemco Membership Collection*, a 40-page, four-color, high-gloss catalog containing jewelry and giftware items, made its first appearance on Father's Day this year, with executives planning new issues four to five times a year.

An advertising executive involved in the project said the publication was designed to position Gemco as being more upscale than Target and with sharper prices.

"These publications also differentiate us from our competitors," the executive said.

Company officials maintain there will be an immediate improvement in sales resulting from the changes.

Gemco's sales increased to $465 million for the first quarter ended May 1, 1983, a $23 million jump from the same period in 1982.

Comparable store sales also increased, by 12%, according to the company.

Gemco's pretax earnings for the quarter leaped to $10.5 million—including a $6 million one-time gain realized from the Memco sale. Pretax earnings a year ago totaled $160,000 when the East Coast operation was included.

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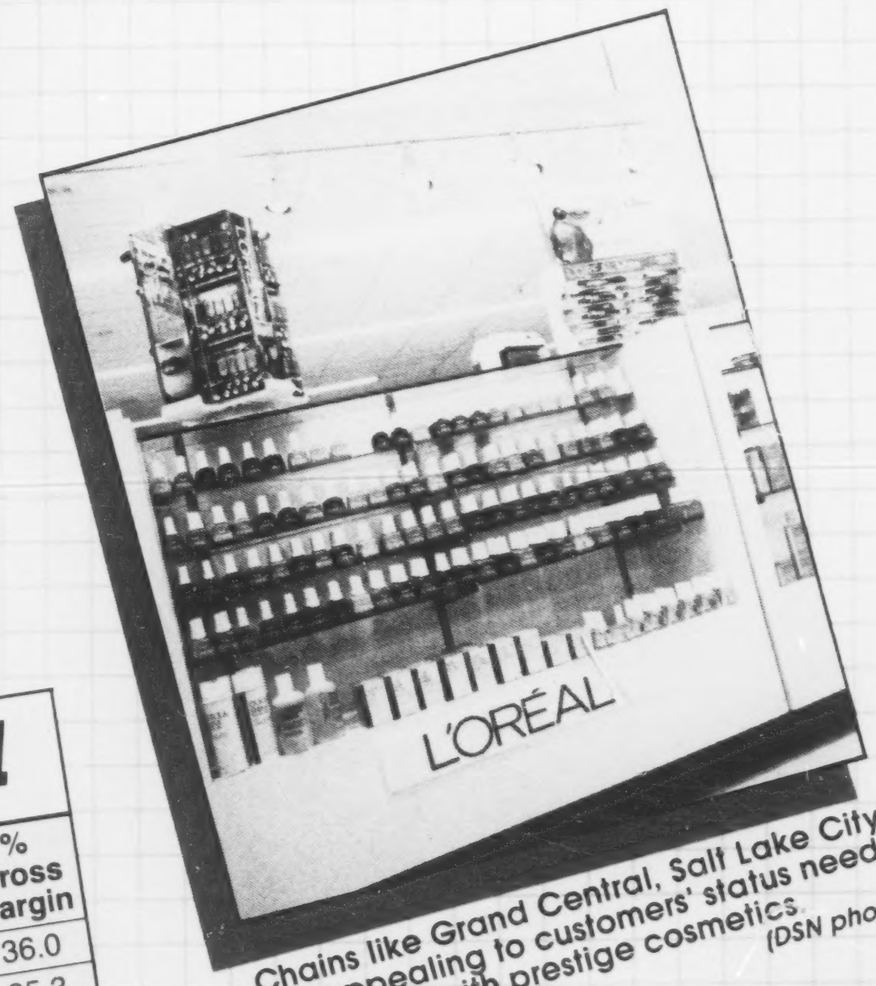
1983-84 DISCOUNT STORE CENSUS

MERCHANDISING PROFILES

Chains such as Caldor push deeper into upscale branded apparel, with junior and petite among the departmental spinoffs.
(DSN photo)

Discounters are becoming bolder and bolder in big-ticket items, such as canoes, shown at Mars, Chicopee, Mass.
(DSN photo)



Chains like Grand Central, Salt Lake City, are appealing to customers' status needs and wants with prestige cosmetics.
(DSN photo)

Ladies' Apparel Is Still No. 1

Category	Discount Volume in Billions	Sales Per Store in Thous.	Dept. Size	Annual Sales/ Sq. Ft.	Annual Turns	% Initial Markup	% Gross Margin
Women's Apparel	$13.3	$1,644	10,000	$164	5.2	46.5	36.0
Men's & Boys' Wear	7.4	915	7,610	120	3.2	45.1	35.3
Housewares	5.9	729	5,760	127	3.4	40.0	31.5
Consumer Electronics	5.4	668	2,250	297	2.9	26.0	15.7
Health & Beauty Aids	5.2	642	2,275	282	4.2	25.4	18.8
Automotive	4.8	593	2,290	259	3.2	36.6	28.3
Hardware	4.5	556	3,210	173	2.3	41.3	32.9
Toys	3.7	457	2,500	183	3.2	35.0	27.7
Sporting Goods	3.4	420	2,500	168	2.5	38.0	28.2
Photo/Camera	3.1	383	675	567	3.6	25.0	18.0
Domestics	2.8	346	3,130	111	2.8	43.0	34.3
Personal Care	2.7	334	850	393	3.8	30.9	19.7
Records & Tapes	1.9	235	1,050	224	3.3	25.0	23.0
Stationery	1.8	223	1,800	124	3.1	42.1	39.0
Paint	1.7	210	1,270	165	2.3	42.0	35.2
Electric Housewares	1.6	198	870	228	4.0	28.3	16.1
Fabrics & Sewing	1.2	148	1,300	114	2.4	45.0	38.6
Jewelry	1.1	136	550	247	2.7	49.0	42.0
Glassware	0.6	74	625	118	3.8	41.0	35.2

(Source: DSN Research)

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Broad-based 10% Sales Rise Is Expected

Automotive

- Discount Store Sales .. $4.8 Billion
- Sales per Store $593,000
- Department Size .... 2,290 Sq. Ft.
- Annual Sales per Sq. Ft. $259
- Annual Turns 3.2
- Initial Markup 36.6%
- Gross Margin 28.3%

BOXSCORE

The trend toward auto fixup is continuing to build, despite better news coming from Detroit recently. Bradlees' new store in Annandale, Va., took that trend one step further with fashion auto seat covers. *(DSN photo)*

Nationwide DSN Report

Automotive departments appear to have the best of both worlds right now.

The recessionary cloud has lifted at last, sparking hordes of new car buyers who—still feeling a pinch in their wallets—purchase stripped-down models and visit discounters for the comfort items they want to add.

At the same time, the average car on the road is now past its seventh birthday. That translates into healthy sales of replacement parts, body repair kits, chemicals, batteries and oils from do-it-yourselfers, plus a substantial lift from service bay business.

As a result, the 10% department sales rise anticipated by discount chain buyers this year will be broad-based. It will be generated by many segments of this rock-solid in-store section.

For the full year 1983, discount store automotive sales should reach $4.8 billion, thanks to greater department productivity. While average department size remains stable at 2,290 sq. ft., sales per store are expected to rise nearly 10% to $593,000. That would lift annual sales per square foot to $259, up from last year's $238.

Gross margins taken by discount retailers are also expected to be healthier—28.3% compared with last year's 27%.

Rising Trend

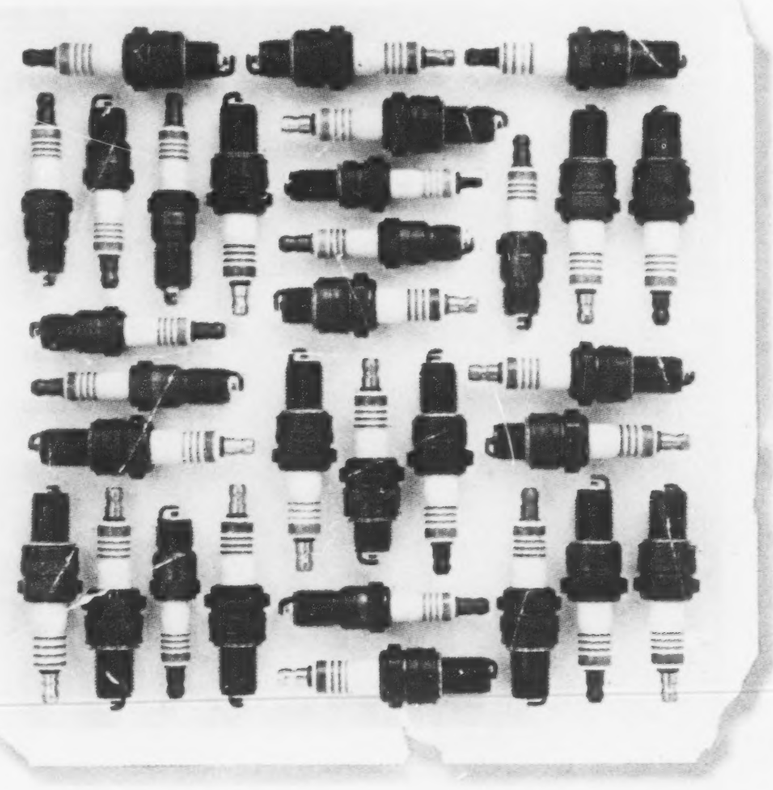
Indeed, these positive trends should continue for a while. A recent survey by the Automotive Market Research Council, an Ohio-based membership corporation, predicted 1.5% annual boosts in the number of cars on the road through 1987.

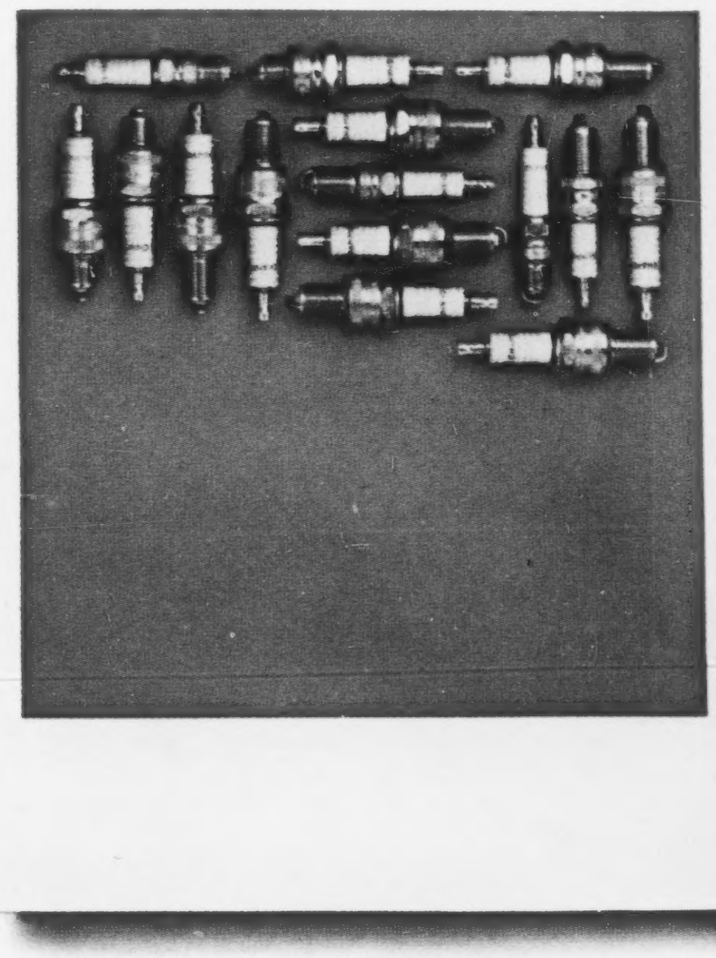
Growth in southern California, where car registration is particularly high, may outpace that of the rest of the nation. Discounters in that region might be wise to concentrate especially on foreign-part merchandising, since it's a strong market for imported cars.

Nationwide, however, do-it-yourselfers who drive older cars will fuel a 2.6% annual growth rate in replacement parts, said the AMRC. Sales increases in lower-ticket chemicals should top the 10% mark easily because they'e easy-to-use DIY maintenance items. Besides that, chains apparently are merchandising the segment better and have more available promotions and several new products to stimulate shoppers.

Nevertheless, a mild winter, a wet spring and eased fuel prices dampened sales of chemicals in the first half of 1983,

(Continued on page 76)





Look what Champion has developed. Instant inventory reduction.

Both pictures provide equivalent coverage, but one picture - ours - is worth a lot of shelf space. Shelf space you could use more profitably.

Our new Performance-Guaranteed Champion spark plugs not only reduce your inventory, they also increase your customers' confidence. With a no-nonsense guarantee that reads, "If you don't think your engine runs better with fresh Champion spark plugs, we will give your money back."*

We offer this guarantee as a declaration of faith in the superb anti-fouling characteristics of Champion's 'Copper Plus' long nose design program. A design program engineered with consolidation and improved performance in mind.

©1983 Champion Spark Plug Company

*Aviation and industrial plugs excepted.

Both pictures provide 93% coverage of the increasingly popular 4-cylinder import and domestic market. But with Champion Performance-Guaranteed spark plugs, you need just 15 plug types. With Nippondenso 29. AC or Autolite require more than 30, and NGK over 40 to provide equivalent coverage.

One picture - ours - can develop into added profits ... instantly. For more details regarding the Performance Guarantee, contact your Champion supplier or call, toll-free: 1-800-835-2246, Ext. 438. In Kansas, 1-800-362-2421, Ext. 438.

CHAMPION

NOTHING SPARKS LIKE A CHAMPION

Champion Spark Plug Company • Toledo, HO 43661

The heavy promotional value of motor oil shows no signs of letting up in the near future. Many chains, such as TSS-Seedman's, Brooklyn, N.Y., continue to drive the product featuring sharp prices in case packs. *(DSN photo)*

Sports car enthusiasts, oblivious to economic trends, are an important target group for discounters' auto departments. Chains, such as Prange Way, Green Bay, Wis., are making a powerful pitch with high-margin sport wheel covers. *(DSN photo)*

Quaker State is more than just America's quality motor oil company. Did you know we market anti-freeze and oil filters? And how about transmission and brake fluids? Or fine motorcycle, outboard, and snowmobile oils? And gear oils and greases? Fill your shelves with quality car care products from Quaker State.

Call your Quaker State sales representative or local distributor today.

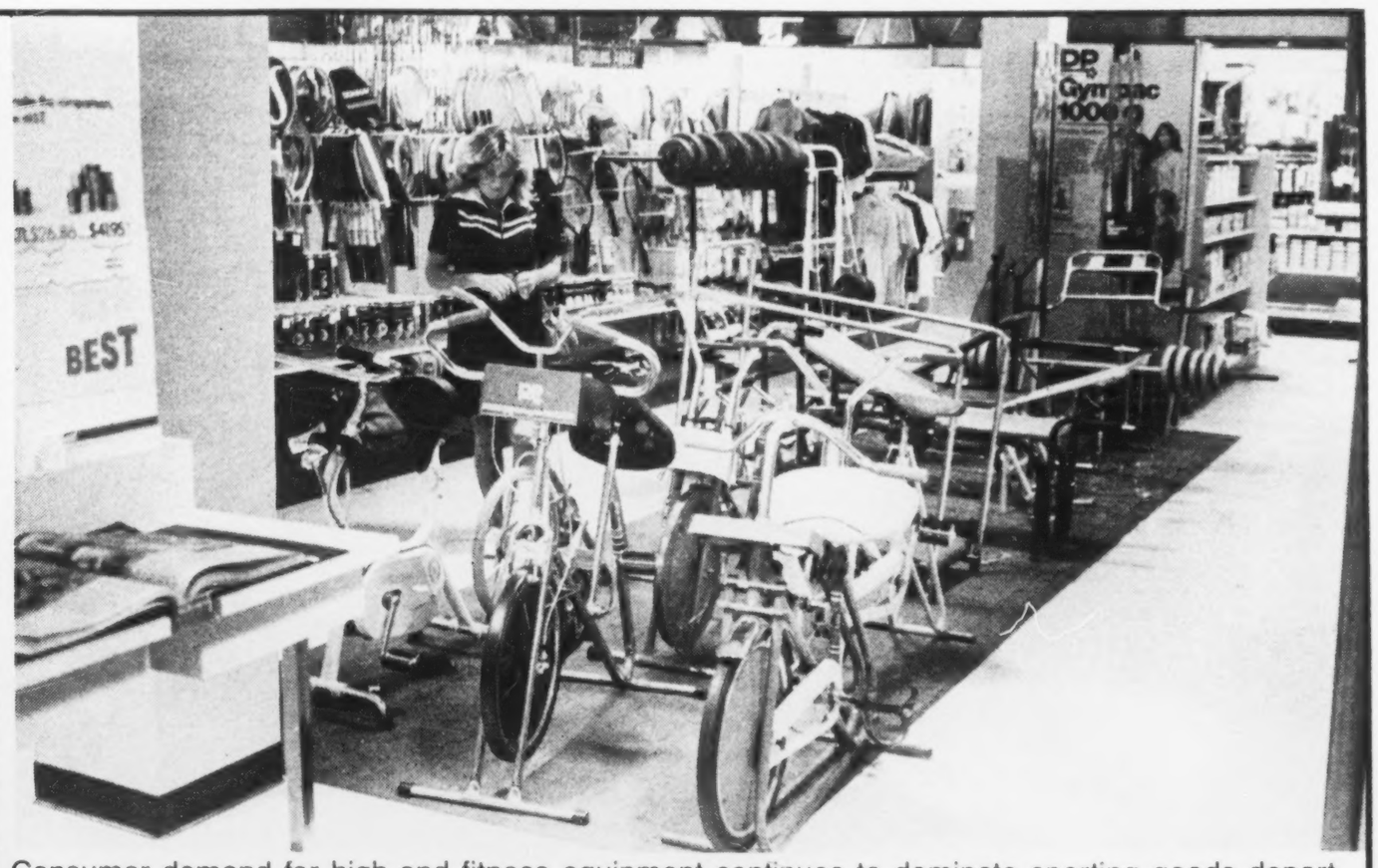
HD 2-CYCLE MOTOR OIL
QUAKER STATE
DOT 3 MOTOR VEHICLE BRAKE FLUID
QUAKER STATE ANTI-FREEZE COOLANT
QUAKER STATE
QUAKER STATE
QUAKER STATE

Trade-ups Score in Exercise, Gym Gear

Sporting Goods

- Discount Store Sales . . $3.4 Billion
- Sales per Store $420,000
- Department Size . . . . 2,500 Sq. Ft.
- Annual Sales per Sq. Ft. $168
- Annual Turns 2.5
- Initial Markup 38.0%
- Gross Margin 28.2%

BOXSCORE



Consumer demand for high-end fitness equipment continues to dominate sporting goods departments. Keeping with the trend, catalogers such as Best Products, Plantation, Fla., are carrying more sophisticated exercise bikes. *(DSN photo)*

LOAD UP NOW FOR WINCHESTER'S CENTERFIRE RIFLE REBATE PROMOTION!

WINCHESTER CENTERFIRE RIFLE
GET $3 BACK.
NEW!
"LOCKED-IN"
PLASTIC TRAY PACK
Go for SuperExcellence. Winchester Centerfire Rifle Cartridges
and get back up to $3.00 by mail $1.50 rebate per box, up to 2 boxes.
Good on world's favorite Super X rounds 30-06, 30-30, 308, 270 and 243.
Load up now. Offer good October 16 through November 30, 1983.
Get details and required rebate certificate at your participating store's special display.
WINCHESTER
SUPER-X 20 CENTERFIRE RIFLE CARTRIDGES
WINCHESTER
THE AMMUNITION COMPANY.

- A real traffic builder that offers consumers a $1.50 factory rebate on Centerfire purchases (up to $3.00 maximum).
- National magazine advertising support featuring this powerful consumer ad.

Here's everything you need to sell more Winchester Centerfire Rifle ammunition:

- Co-op advertising.
- Eye-catching 4/color shelf-talkers with tear-off mail-in rebate certificates.
- Retail ad slicks with easy-to-use elements for local newspaper advertising.

Promotion dates October 16 – November 30, 1983. Contact your Winchester Distributor for all details. If merchandising support material is not available from your distributor, write to the East Alton address and request your free Centerfire rebate merchandising kit.

WINCHESTER
THE AMMUNITION COMPANY.

1983 Olin Corporation, Winchester Group, East Alton, IL 62024

Nationwide DSN Report

Exercise and gymnastic equipment are among the most successful trade-up areas in discount store sporting goods departments, thanks to the nation's continued preoccupation with fitness.

"The exercise category has seen consumers trade up considerably," said a sporting goods buyer for S. E. Nichols, New York, where many of the lower price points have been dropped in the category this fall to make room for higher-ticket goods.

"It used to be only spring-and-cable hand grips and some chest pulls," he observed. "But now customers will spend more money to stay in shape."

With discount store industry sales in the sporting goods classification on the way to $3.7 billion this year—a 19.4% leap over last year's $3.1 billion—buyers are pegging the robust growth on high-ticket exercise equipment as well as an uptrend in canoes and steady sales in basic areas like fishing, guns and ammunition and outdoor games.

The Reason Why

Merchants report more $200 and $300 items are selling because of the consumer trend toward higher quality, brand names and special features on exercise gear.

Target, Richway, Lechmere and Bradlees have all been featuring sophisticated weight-training equipment like the Gympac 100, retailing for a hefty $300, and being promoted at $250 and $270. The system includes a wall-mounted pulley system designed for arm and leg exercises and a weight bench with a leg curl.

In addition, Caldor has been carrying the high-end Bodybar 2000 by Marcy at an everyday price of $349 with a sale price of $288.

And, this high-priced fitness equipment has been selling briskly.

At Heck's, for instance, buyer Dick Adkin said sales in sporting goods were up 30% in 1982 over the previous year, with a 20% upswing in the chain's gymnastic business. He expects similar growth by the end of 1983.

Gravity boots are also responsible for some of the sport-

(Continued on page 121)

Buyers Bullish as Initial Markups Rise

Housewares

- Discount Store Sales . . $5.9 Billion
- Sales per Store $729,000
- Department Size . . . . 5,760 Sq. Ft.
- Annual Sales per Sq. Ft. $127
- Annual Turns 3.4
- Initial Markup 40.0%
- Gross Margin 31.5%

BOXSCORE

Bradlees, East Hanover, N.J., displays dining tables/chairs with table settings and accessories. This furniture flat was backed by a wall displaying a broad assortment of chairs. *(DSN photo)*

Nationwide DSN Report

Discounters are counting on their housewares departments for strong second-half sales and profits, as shoppers continue their trade-up to items with higher initial markups.

Initial markups in the category will increase an estimated four points—from 36% to 40% —this year, according to *DSN* projections.

Retailers have pegged the trend to two key factors: an upswing in consumer spending in housewares' more fashion-appeal areas, and to less item-by-item competition among chains due to the influx of housewares manufacturers on the mass merchandising scene.

Many discounters have also expanded and upgraded their departments in an effort to further cash in on the market's strength. Discount store sales for the category will hit $5.9 billion this year, an 11.3% increase, according to *DSN* estimates.

Expansion Reported

For instance, Gaylords' new prototype unit in New Orleans features a 4,500-sq.-ft. housewares area, more than double its typical 2,000-sq.-ft. department. Also, Richway recently completed expanding its housewares areas by 25% to make room for more upscale goods.

Bradlees last spring debuted a new "home store" layout in its East Hanover, N.J., outlet, which includes Table Top, Kitchen Gear and Living Shop departments. That theme was further developed with the openings last month in the Washington market.

In addition, chains such as Fishers Big Wheel, Clover and K mart are in various stages of remodeling and/or reassorting their departments to capture a larger share of the housewares market.

Wal-Mart, in fact, expects its resets to bring in sales increases 25% higher than those expected from all stores.

Housewares improvements for the Bentonville, Ark.-based chain include a restructuring of dinnerware resources and new store fixtures.

Sales gains are currently running at 55%, according to company officials.

Like other discounters, Wal-Mart is looking to dinnerware

(Continued on page 83)

1'
1'
1'
1'
$1248
Actual gross margin per sq. ft., each store/10 store chain.

Ready Made Blinds by Levolor.
Imagine what they could be worth to you.

One year out and already our Ready Made blinds have shown what they can do for your valuable floor space: make it a lot more valuable. Look what they did for one 10-store chain:

Each store showed a gross margin of $1248 per sq. ft. compared to the industry storewide average of $92/sq. ft. Sales per sq. ft. were ten times greater than the industry average ($3114 vs. $309), and turnover was nearly twice the industry average, an impressive 6.15 turns vs. 3.5.

So what's it all worth to you? The Levolor name means quality to your customers. Attractive packaging and displays. Powerful national advertising. Advertising allowances. And a lot more profit for every square foot of selling space.

For more information call your Levolor representative or write Levolor Lorentzen, Inc., 1280 Wall Street West, Lyndhurst, N.J. 07071.

READY MADE BLINDS BY LEVOLOR

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Housewares Buyers Are Bullish

(Continued from page 81)

and furniture as two key growth and trade-up areas

Indeed, one of the hottest classifications for discounters is tabletop, reflected by Mikasa's launching of its Home Beautiful line at Chicago's 79th International Housewares Exposition this July, geared specifically for mass merchants. Caldor, Jefferson Ward, and J. C. Penney are among the major retailers to have already committed to a program.

At Hills' Carnegie, Pa., store, near Pittsburgh, a 20-ft. gondola run has already been set up with the complete upscale assortment. The line, a coordinated tabletop concept, includes china and stoneware in dinnerware, crystal stemware and hollowware, kettles and cookware with flatware and linens to follow.

Another tabletop trade-up avenue for some chains, such as Jamesway, is multipiece dinnerware sets. In fact, Jamesway is already moving to higher price points for the fall.

A company executive said the chain will be incorporating fine china and stemware, in addition to flatware, at a correspondingly higher price point—between $89.99 and $99.99.

However at many other chains including Rose's, T.G. & Y. and Fishers Big Wheel, the multipiece sets are viewed more as a promotional, low-end opportunity.

Rose's, for example, tested 114-piece multisets in several stores this summer prior to expanding the line chainwide this fall. The set, from Newcor, was to be priced between $69.99 and $79.99.

Setup Is Refined

T.G. & Y., meanwhile, has two sku's of combo sets, both priced at $68. One set comes already packaged from a single source, while the other is the chain's own combination, created from five separate packages, according to merchants for the Oklahoma City-based chain.

Furniture, in the meantime, is one housewares area that generates enthusiasm from almost every discounter. Indeed, their only complaint is that there simply isn't enough floor space to do the category justice.

Buyers concur that it has become a very profitable area, boasting a 50% markup on most merchandise and a 35% maintained margin for the department.

Jamesway is anticipating a 120% hike in furniture sales. This forecast is based on the company's strategy to heavily promote its direct imports, to buy single items from sources instead of entire lines, the use of main aisle and endcap stackouts to highlight volume pieces, and more advertising.

Important furniture items at Jamesway during the second half include microwave and utility stools, TV carts and small occasional tables—priced at $8 to $9.99. Microwave utility tables as well as cooking accessories are fast becoming another sizzling profit center

The byword is cross-merchandising.

Wal-Mart and AIM for the best Stores are among the discount stores which have successfully remerchandised microwave ovens and add-on items.

Wal-Mart projected a 100% increase in the chain's microwave oven sales this year, and a 75% jump in accessory sales. The chain also anticipates $350 to $500 sales per square foot from the ovens and accessories—including carts and cookware—substantially above the chain's average.

To achieve these goals, Wal-Mart, in addition to displaying ovens with other appliances, has placed a new fixture on the promotional aisle showing cookware, ovens and accessories in its larger stores. The fixture was developed by the chain along with vendors including Whirlpool, Panasonic and Anchor Hocking.

The arrangement offers the merchandise high visibility and consumers self-service.

The first of Caldor's Baltimore stores, in the Golden Ring Mall, shows the chain's familiar housewares department decor: natural wood display cubes, brick-pattern floors, wood-covered support columns and pots hanging from overhead gridwork displays. *(DSN photo)*

Mars' Earnings Leap in Quarter

NEW BEDFORD, Mass.—Mars Stores reported record net earnings for 1983's second quarter of $233,407, or 19¢ per share, compared to $37,880 or 4¢ per share for the same period last year.

INTRODUCING THE GREAT WALL OF WESTCLOX

New from Westclox. A dozen wall clocks with the accuracy of quartz. The Country Quartz series offers nostalgic charm, while the Classic Contemporary series features sophisticated slim line styling. Look for them, along with our latest entries in the electric alarm, digital alarm, and clock radio categories.

And look for competitive price points, aggressive advertising and merchandising support, plus our budget-extending Blockbuster co-op program.

New products. Popular prices. Dynamic promotions. Use them to make your sales volume climb as the Westclox Prime Time year continues.

Westclox leads the way to good times.™

Visit our booth #4362-4365 at the Housewares Show and ask about our show specials.

WESTCLOX® U.S. by Talley Industries

Toy Sales Gain as Video Games Soften

Toys

- Discount Store Sales .. $3.7 Billion
- Sales per Store $457,000
- Department Size .... 2,500 Sq. Ft.
- Annual Sales per Sq. Ft. $183
- Annual Turns 3.2
- Initial Markup 35.0%
- Gross Margin 27.7%

BOXSCORE

The high growth experienced by CE has been translated to the toy department via electronic toys, which are showing healthy volume. Jamesway's Flemington, N.J., store uses an endcap to feature one of its offerings. *(DSN photo)*

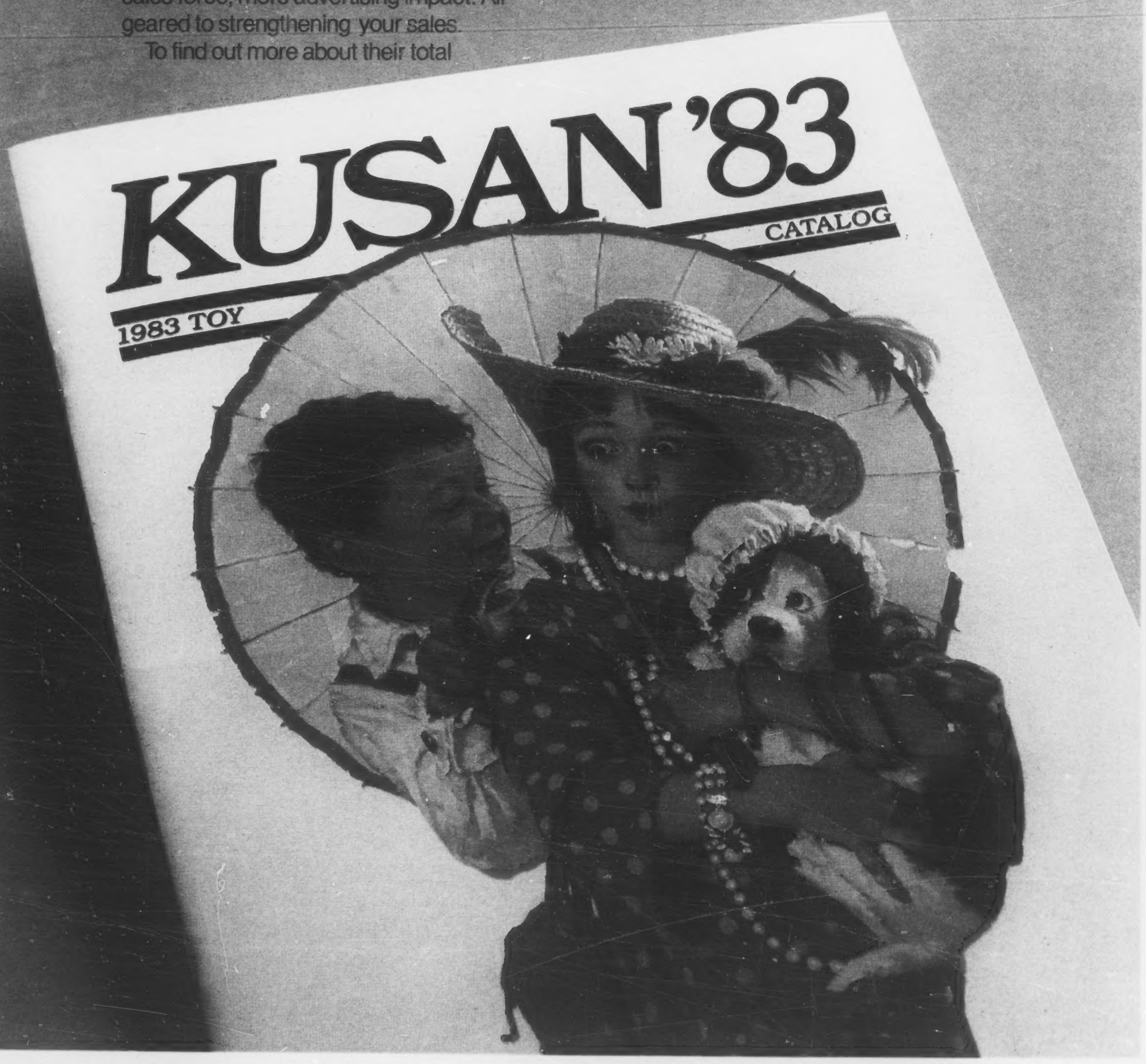
On June 1st, Schaper added 54 new toys to its line.

Kusan and Schaper have joined forces—to give you one source for two of 1983's most exciting toy lines.

Together, these innovative companies offer even greater resources: a more complete product line, stronger marketing and sales force, more advertising impact. All geared to strengthening your sales.

To find out more about their total commitment to serving you even better, call your Schaper representative—or Tony Martinson, Schaper's Vice President, Sales, at 1-800-328-5635.

One phone call and you're in business. Stronger than ever.



Nationwide DSN Report

With video games no longer strong enough to steal their thunder, discount store toy departments are experiencing a rebirth of sales.

In addition to the shrinking video game market, the uptrend is based largely on the excitement from action figures, several hot new licenses—including Care Bears, Cabbage Patch and Return of the Jedi—and the general economic recovery, retailers agree.

In fact, discount store sales in the toy category are up 5.7%, due to reach $3.7 billion this year compared to last year's $3.5 billion. Projected average per-store sales for 1983 of $457,000 reflect an 8.3% hop over last year, according to *DSN* estimates.

Buyers at chains nationwide—including Gold Circle, Murphy's Mart, Nichols, Play World and Heck's—all described 1983 as a much brighter toy year than 1982, which many deemed one of the toughest in toy industry history.

The Reason Why

"The softening in the video market is starting to return some dollars back to traditional toy categories," said Neil Kaufmann, toy buyer for Gold Circle, Worthington, Ohio. "Plus, the trend manufacturers are developing toward more licenses and lower-end items should give toys a big push this season."

Indeed, fantasy figures—priced generally between $2 and $5—are helping to push the toy business out of the doldrums this year.

At McKeesport, Pa.-based Murphy's Mart, buyer Gerald Fronk is optimistic about the year mainly because of the number of "categories of merchandise—like Mattel's Masters of the Universe line and Hasbro's G.I. Joe assortment—that are out rather than just single items."

"This is the year for toys under $10," stated Fronk, suggesting anything over that price has to be heavily promoted on TV. He believes toys with $20 and $30 price tags are "a thing of the past."

At Heck's, buyer Robert Kuhns has committed heavily to fantasy figures for 1983. He is carrying 19 sku's of the Mas-

(Continued on page 85)

Toys

(Continued from page 84)

ters collection, including three assortments of figures. He is also stocking four sku's of the Dungeons and Dragons line and is adding nine sku's to his G.I. Joe lineup, which will now total 13. However, he doesn't expect the military category to perform as well as the fantasy toys.

One toy category that is starting to make a comeback this year, after a treacherous 1981 and 1982, when sales fell 11%, to $774 million, is board games.

Related to Other Move

Buyer Steve Springer at Ames expects to see as much as a 15% increase in this area for 1983, although sales have only risen gradually during the pre-Christmas season. He believes "interest in board games is growing inversely to the diminishing appeal of video games."

In contrast, the board game prospect is less promising at Murphy's Mart, according to an official for the chain. He projected a maximum 2% sales gain by year's end and pointed to his 38-title lineup, which marks a 10% cut from last year.

Board game gross margins at Murphy's Mart run 20% to 30%, and range in price from $5.99 to $14.99. Games like Monopoly and Risk are sold below cost in some markets, the spokesman pointed out, adding, "They're no longer effective loss leaders since everyone sells them at low prices."

At Play World, the Greenman Bros.-owned toy specialty chain with nine metro New York stores, president Stewart Katz also noted a slight uptrend in board games and hobby sales. A freestanding toy operation, the company didn't trim board game sku's to the extent many full-line discounters have.

Fishers Big Wheel, for instance, sliced board game assortments 25% in 1982, and another 25% to 30% this year, according to buyer Mike Sadler. The area, which occupied 28 ft. a year ago, was pared down to 12 or 16 ft. this spring.

Licenses, meanwhile, continue to be a boon to almost every toy category, including board games.

Places Bets

For example, at the 79-unit Child World, a chain official expects strong sales from licensed games like Care Bears, Qbert and Shadow Lord. Every board game on the market is stocked by the Avon, Mass., specialty retailer.

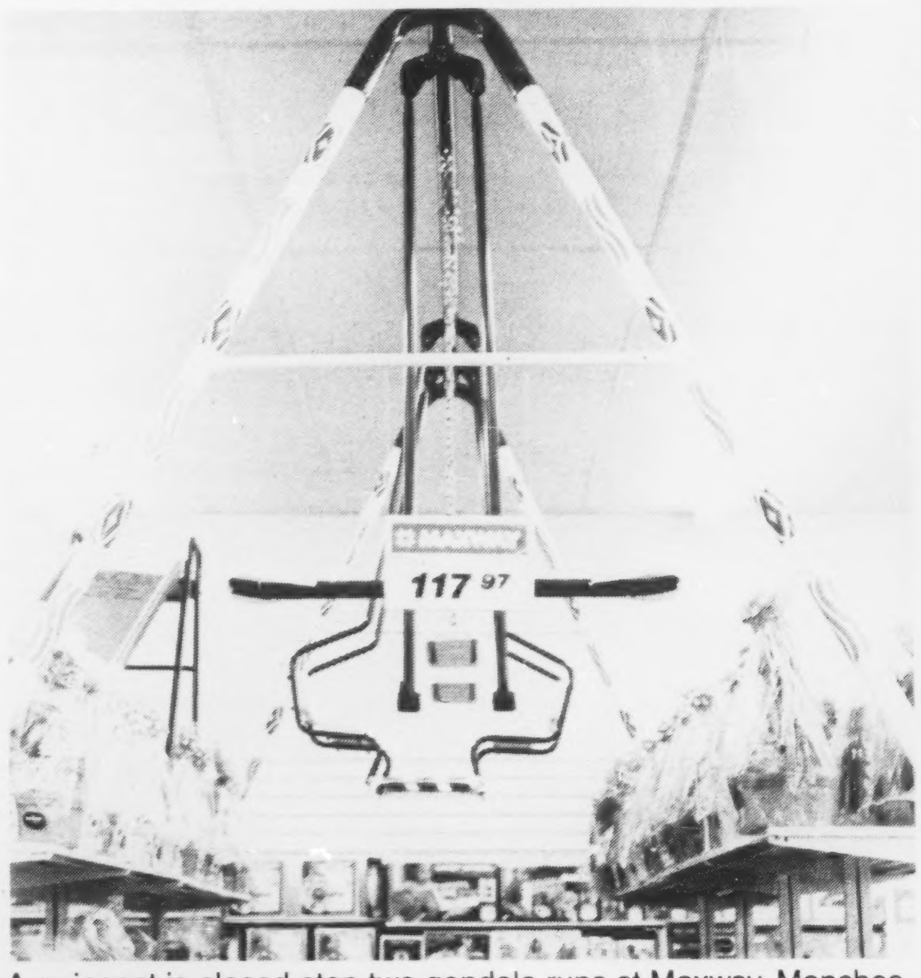
For girls, Coleco's new Cabbage Patch doll and license are injecting sales life into what otherwise has become a relatively soft end of the toy business.

Gold Circle's Kaufmann expressed "a lot of excitement" for Cabbage Patch, which retails for about $25. However, he expects when the excitement settles Baby Strawberry Shortcake will be the year's top seller as it was in 1982.

Heck's Kuhns, however, is buying Cabbage Patch lightly until it proves itself in his markets. He said TV dollars, which usually sell for over the $20 price mark, were "terrible" in the chain's depressed markets in 1982. In response, he cut the category 50% to 60% this year.

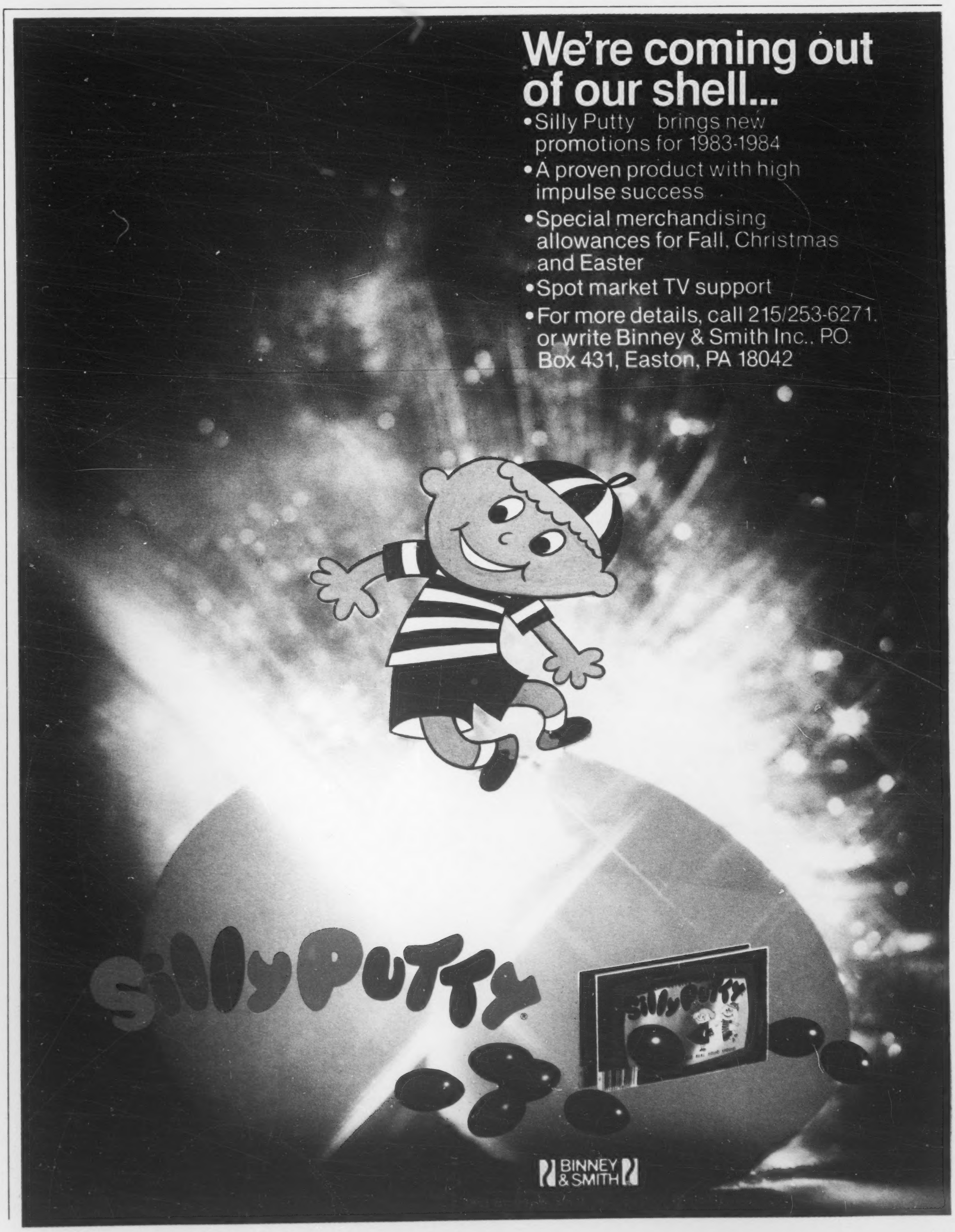
The only doll Kuhns and many other discounters are certain they can count on is Barbie.

"She is the only thing holding the doll business together," he said.



A swingset is placed atop two gondola runs at Maxway, Manchester, Ga., to maximize space on the toy department's sales floor. It is priced at $117.97. *(DSN photo)*

Licensed products continue to dominate many areas of the toy category. Pictured is a recent Zayre circular with licenses like Return of the Jedi action figures and Care Bears covering the page. *(DSN photo)*


We're coming out of our shell...
•Silly Putty brings new promotions for 1983-1984
•A proven product with high impulse success
•Special merchandising allowances for Fall, Christmas and Easter
•Spot market TV support
•For more details, call 215/253-6271. or write Binney & Smith Inc., P.O. Box 431, Easton, PA 18042
SILLY PUTTY
BINNEY & SMITH

10% Sales Increase Projected For Year

Jewelry

- Discount Store Sales .. $1.2 Billion
- Sales per Store $136,000
- Department Size ..... 550 Sq. Ft.
- Annual Sales per Sq. Ft. $247
- Annual Turns 2.7
- Initial Markup 49.0%
- Gross Margin 42.0%

BOXSCORE

Illustrating the re-emergence of costume jewelry, Bradlees highlights pop-colored enamel earrings at its Annandale, Va., unit. Fashion jewelry was among the season's best-sellers at many discounters. *(DSN photo)*

Nationwide DSN Report

Gold certainly hasn't lost its glitter, and, with assistance from a costume jewelry resurrection and solid watch business, jewelry sales are projected to increase 10% this year.

With annual department turns rising slightly this year to 2.7 from 2.5 in 1982, and margins remaining stable, total sales are climbing to $1.2 billion as many chains continue to accent the higher end of the price range, restocking inventories with fine jewelry.

This emphasis on fine is a healthy margin booster and adds to the continuous upscale movement of many discounters.

"Jewelry has always been an outstanding category for us," said a spokesman for K mart, adding that the chain now stocks more fine jewelry than ever before.

"We've adjusted our assortment, making the move into the higher end, gambling that the economy will continue its recovery. People are buying luxury items again," explained the spokesman.

New Approach

Rose's, the North Carolina-based discounter, recently finished an upscale reorganization of the jewelry area including the addition of new showcases and introduction of some higher-priced merchandise.

"Our fine jewelry now accounts for over 50% of the whole department," said Tom Kirby, buyer for the chain.

Ames has followed a similar strategy.

"Since the company took over operation of the department from our lessee we've remodeled 60%-70% of our jewelry departments and moved them out to the front of our stores," said Don Martinetti, buyer for the Northeastern discounter.

In addition to remodeling programs, there's been a shift in jewelry advertising from price point to item, especially with 14k gold. Caldor, Smitty's and Murphy's Mart are among chains that have highlighted 14k and diamonds throughout the year.

"When people see 14k anything, it does something to them," said Jack Deitte, buyer for Prange Way.

Not everyone has fared well

(Continued on page 125)

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CONSUMABLES CENSUS '83/'84

Limited Mix, Aggressive Pricing Still Rule

Nationwide DSN Report

For discount chains, the quest for consumer food dollars will continue to mean turning limited assortments into highly visible traffic-building areas with aggressive pricing and promotions.

Consumables sales aside, the departments are often set by front-end checkouts to beam in shoppers as surely as did the Starship Enterprise. Some chains also sport in-store delis and bakeries, but the majority remain unwilling to make such a major service commitment.

Because thin margins are the rule in food sales—with supermarkets netting less than 1% overall and grossing roughly 18% on the groceries which discounters are most likely to stock—the majority of discount chains cherrypick their selections. They limit their consumables varieties to a small fraction of the supers' typical 8,000 to 25,000 sku's.

That most often means a concentration on product lines marked by frequent in-out promotional offerings by manufacturers. Typically, these are soft drinks, beer, snacks, coffee, candies, condiments and household cleaning chemicals.

This spring, K mart was displaying many of these items prominently by its front-end at a Chicago shopping center, which was co-anchored by a Jewel/Osco combination store.

Similar to K mart, many discounters sell soda successfully from massive displays near checkstands. Others, however, believe that rear-of-store setups are better draws and can act as brakes to limit volume during "hot" sales periods.

In paper goods, discount chains such as Danners count on fast movement of sharply priced name brands to offset low margins. In the Lebanon, Ind., store, Danners included an off-brand paper towel that offers better margins.

Ames is among discounters finding it profitable to offer more than candy and nuts in their snack sections. In the Westfield, Mass., store, the selection includes natural herb teas and party crackers. *(DSN photos)*

Strengths Examined

Overall, soda ranks as a top food performer, turning 70 times a year with 20% margins at discount chains.

By buying and displaying "deal" items in large volumes, discounters like Target, Venture, Heck's and Murphy's Mart achieve high turns and quick sell-through. Their common strategy: advertise some consumables to yeild 5% gross margins, and display them in promotional aisles, while setting the rest in gondolas at 10%-20% margins. This tactic helps chains to build traffic.

Each of these chains has expanded assortments of grocery products during the past two years. But that assortment changes constantly, depending on which deals are available.

Heck's, for instance, is buying 95% of its groceries on deal this year. The chain displays them in permanent 28- 48-ft. gondola runs, plus stackout promotions.

To boost exposure of its consumables, the 114-store Nitro, W.Va.-based chain is hiking the department's ad space in circulars by 50% in 1983. It will tout weekly specials instead of monthly promotions and will price the specials sharply to generate 5% margins.

At 25-store Harts, which is owned by the Big Bear supermarket chain, Columbus, Ohio, 75 sku's of consumables are generally stocked in 20- 40-ft. sections. In addition, the chain advertises six food specials twice a month.

Murphy's Mart promotes household cleaning chemicals every month—twice the pace of last year—and stocks detergents on an everyday basis in 5- 7½-ft. gondola runs.

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Growing Role of Fashion Boosts Volume

Stationery

- Discount Store Sales .. $1.8 Billion
- Sales per Store $223,000
- Department Size .... 1,800 Sq. Ft.
- Annual Sales per Sq. Ft. $124
- Annual Turns 3.1
- Initial Markup 42.1%
- Gross Margin 39.0%

BOXSCORE

The influence of style has many stores revving up their stationery presentations, including Bradlee s, Annandale, Va. High-end assortment of boxed envelopes, writing paper and pads is evidence of the chain's extended fashion statement. *(DSN pnoto)*

BICYCLE, America's best selling playing card, enters the world's greatest athletic event.

The world's greatest athletic event is about to take place, the 1984 Summer Olympic Games in Los Angeles. And BICYCLE, America's best selling playing card will be a part of the excitement, the athletic achievements and the pride of hosting this first Summer Olympiad on American soil since 1932.

As The Official Licensee For Playing Cards For The 1984 Olympic Games, The United States Playing Card Company is proud to introduce Bicycle "Stars In Motion" design back. This exclusive Olympics playing card is a commemorative your customers will soon be racing to buy.

Supported by national consumer advertising and promotions in magazines such as TV Guide, BICYCLE is leading an Olympic team of its own to the winner's circle in 1984.

In addition to BICYCLE, U.S.P.C. is offering three other Olympic playing cards:

- Congress Mint Editions "Olympic Gold"
- "The Olympians"—original art pictorials
- "Sam the Olympic Eagle"—the Official Olympics Mascot, featured on children's playing cards

All sporting Olympic designs your customers will treasure!

Support for the 1984 Summer Olympics is already producing record results for dozens of businesses at home and abroad. So dealing these Olympic playing cards is a golden opportunity you won't want to miss!

Isn't it about time you put *your* foot in the running? Contact your area representative today, for details on U.S.P.C.'s complete Olympic line.

Games of the XXIIIrd Olympiad Los Angeles 1984

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The Official Licensee for Playing Cards for the 1984 Olympic Games

Nationwide DSN Report

The mounting importance of fashion in stationery categories has discounters racking up double-digit sales gains.

Industrywide, chains are expecting a volume increase of 12.5% from the department.

Buyers' main tactic for reaching those volume projections is reacting to the fashion trends in the market: stocking a variety of winning licenses in greeting cards and school supplies and a selection of colors in home/office and adult stationery.

By tapping consumer demand for those often higher-ticket items, discounters predict a 15.8% rise in sales per square foot for 1983. For most chains, however, department size and turns are flat. With increased price competition on basics such as filler paper and two-drawer metal files, both initial markup and gross margin have slipped.

New Moves

Bradlees is one chain whose overall fashion accent was extended into stationery this year. At the Annandale, Va., store, which was unveiled last month, the chain used a new 12-color line of adult stationery as a lead-in to the department. Packs of envelopes and letter paper sealed in clear plastic pouches were pegged on a slat-backed, T-shaped gondola and given floor space on a main traffic aisle.

At Zayre, pastel colors proved to be a hot feature in adult stationery. Earlier in the year, 25-count boxes of pastel colored envelopes and matching ½-lb. pads of writing paper were among the fastest movers.

But, home office is the category where colors are making the strongest impact. This year buyers at Prange-Way, Gold Circle, Cook United and Fishers Big Wheel all broadened the spectrum of colors in their assortments.

Zayre, which had already stocked colors of file cabinets, metal security boxes and desk accessories, featured its color assortments in ads for the first time this year.

At Gold Circle desk lamps were dropped to clear out space for a six-color assortment of desk caddies, pen holders and other accessories. At the start of spring, putty was the best-

(Continued on page 125)

Chains Reshape, Remerchandise Depts.

Domestics

- Discount Store Sales .. $2.8 Billion
- Sales per Store $346,000
- Department Size .... 3,130 Sq. Ft.
- Annual Sales per Sq. Ft. $111
- Annual Turns 2.8
- Initial Markup 43.0%
- Gross Margin 34.3%

BOXSCORE

At Ames, Westfield, Mass., coordinated towel sets are displayed on a colorful gondola run, indicative of the upscale mass-merchandising look that has helped boost discount store domestics sales this year. *(DSN photo)*

Nationwide DSN Report

Many of the nation's discounters are reshaping and remerchandising their domestics departments this year.

With industrywide sales rising 12% they seem to be hitting the mark.

Discount department store sales in the category are expected to hit $2.8 billion this year, compared to the previous year's $2.5 billion. Sales per store are rising $45,000, to reach $346,000 for the year.

Discounters including Bradlees, Gold Circle and Nichols have all embarked upon new upscale strategies in domestics, with exciting results, so far.

Gold Circle recently took a bold stride when it reportedly became one of the first companies to offer top-quality, high-margin sheets with a 200-thread count.

In a recent four-color ad, the Worthington, Ohio-based discount chain introduced its new luxury percale sheet sets—Bibb's High Society—for $19.99, $29.99 and $39.99. These represent price points for twin-, full- and queen-size sheets, respectively.

Increased Sales

Gold Circle's Steve Fishman, vp/dmm soft home, reported sales were up 25% to 30% over company expectations. The program is currently in a five-month test phase, but Fishman said he is "looking to expand."

Bradlees, meantime, unveiled its new merchandising concepts this year, most strikingly in East Hanover, N.J. The home-store concept, which places great emphasis on ambience, has revolutionized the presentation of the chain's domestic categories.

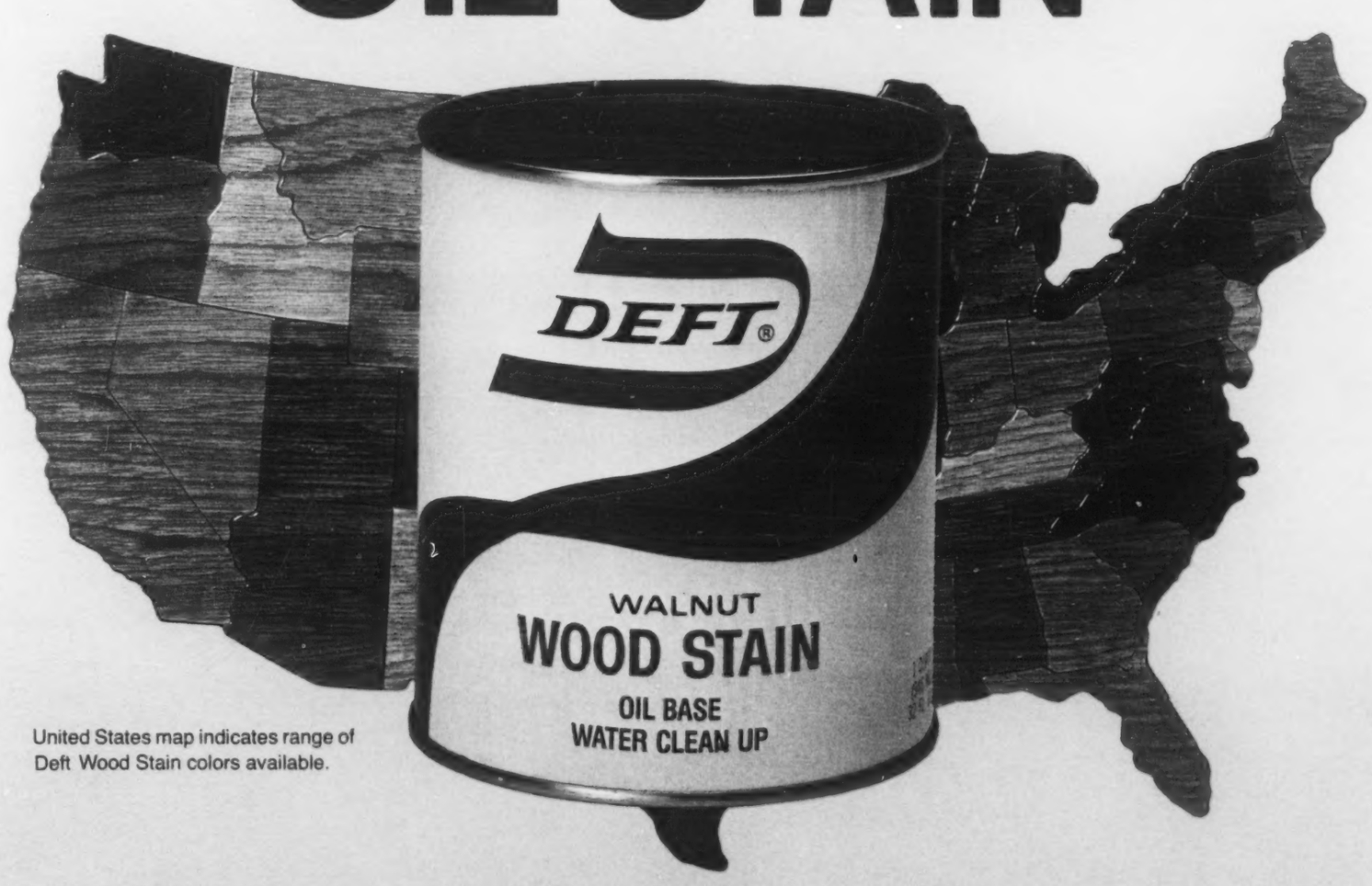
The products within the category are now divided into separate mini-shops. There is the Bath Shop, first introduced in the New London, Conn., store, which features color coordinated towels, rugs, shower curtains and accessories.

Traditional domestics are placed in an area called Bed Time. It includes items like comforters, sheets and blankets.

Following the dictum that merchandise should be shown in the store the same way it would appear in the home, The Living Shop area cross mer-

(Continued on page 123)

IMPROVED, PENETRATING
OIL STAIN



United States map indicates range of Deft Wood Stain colors available.

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High-Ticket Successes Build Optimism

Ease of use and a growing number of features have many stores—such as Mars, Chicopee, Mass.—pushing outdoor gas grills with solid success. Price points are being pushed also, with many topping the $200 mark. *(DSN photo)*

The L&G trend has been toward higher-ticket items, such as this California redwood grouping with colorful flowered cushions, seen at Caldor's Lake Ronkonkoma, N.Y., store. *(DSN photo)*

FlexLite™. What's in the name is in the hose.

Flexible. Lightweight. Two qualities you'll find in a revolutionary new vinyl garden hose called FlexLite. Try FlexLite and you'll know why it's the product everyone is talking about.

FlexLite starts out flat, then expands—even when partially coiled—when you run water through it. When water is turned off, FlexLite's unique, built-in memory enables the hose to go flat again for easy coiling and storage.

You'll appreciate the easy-to-sell features that make FlexLite an important addition to your product line. FlexLite is so easy to handle, you'll forget it's a garden hose. It's just half the weight of conventional hose and occupies just one-third the storage space. And FlexLite is built tough. Reinforced vinyl construction offers superior quality and durability, remaining flexible in freezing temperatures and maintaining strength in hot sun.

FlexLite. Remember the name, and you'll remember its advantages.

- occupies significantly less shelf space; compact size enables retailers to stock and sell more garden hose during busiest buying season.
- informative, carry-home packaging in easy-to-handle carton.
- attractive feature benefit merchandiser available.

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Nationwide DSN Report

Discount store lawn and garden buyers are confident next year's season will be as green as this year's has proven to be, despite the soggy start it had due to the very wet spring.

At the root of optimistic lawn and garden forecasts is the spurt in sales of high-ticket merchandise this year, particularly, patio furniture and gas grills. This tradeup trend is expected to bloom even brighter in 1984, according to industry watchers.

Additionally, the development of a longer selling season has proven to be another sales booster for the category. Many northern state retailers have started planting goods in their seasonal areas in early March, one-and-a-half months earlier than usual, because of mild weather trends, pointed out a major Midwestern distributor, who expects this trend to continue next year.

With consumer confidence increasing thanks to the economic recovery in most markets, discounters report high-fashion, high-priced PVC piped patio furniture sets are dramatically changing the nature of their outdoor furniture areas.

These new groupings—with earthtone, blue, brown, red or yellow cushions—are adding extra-fashion potential to the departments, concur buyers.

High-end Item

They carry hefty price tags, averaging from $175 to $200. Some chains, in fact, have already begun to reach even higher price points with upscaler Bradlees boasting a $500 price tag in its mix.

At last month's annual hardware show in Chicago, discount store buyers were focusing on color selection for their 1984 PVC plastic patio furniture assortments. Blue and burgundy cushions on white or off-white furniture were among the show's most popular palettes.

Jamesway's buyer plans to add more colors to his PVC lineup for 1984, probably blue or brown, he said. This season the Secaucus, N.J.-based retailer offered five patio-set sku's, ranging in price from $89.99 to $249.

While Wal-Mart, the Bentonville, Ark.-based operation, didn't have its 1984 program in

(Continued on page 123)

GLASSWARE CENSUS '83-'84

Expanded, Higher-Priced Mixes Score

Glassware

- Discount Store Sales .. $0.6 Billion
- Sales per Store $74,000
- Department Size ..... 625 Sq. Ft.
- Annual Sales per Sq. Ft. $118
- Annual Turns 3.8
- Initial Markup 41.0%
- Gross Margin 35.2%

BOXSCORE

At Target, San Diego, Calif., glass stemware—boxed and bulk— is given main aisle treatment on new glass—shelved fixtures. A similar fixture is used for bulk-stock tumblers and glass serving dishes. *(DSN photo)*

Nationwide DSN Report

Discounters are bullish about glassware, and with good reason.

Manufacturer competition for discount store shelf space is intense; merchandise is priced and styled right, offering excellent gross margin potential, and customers are responding to expanded and higher-priced assortments.

For 1983 *DSN* projects glassware initial markups at 41%, gross margins of 35.2%, and annual turns of 3.8. In these benchmarks, the category's performance is stronger than that projected for total housewares at 40% markup, 31.5% gross margin and 3.4 turns.

Different Emphasis

One trend emerging this year is a return to selling bulk glassware, particularly among upscale chains. No longer treating bulk merchandise as a price leader, chains like Bradlees and Target are using it for higher-priced merchandise, displayed on new fixturing—not gondola runs.

Bradlees' latest thinking is, in fact, to include bulk glassware on a lighted, glass shelved wall in its new Table Top Shop. The program includes stemware and beverageware with price points up to $5.99.

The Bradlees strategy is unusual in its separation of bulk glassware, in the Table Top Shop, from the 4-pack and multipiece boxed sets which are stocked in another housewares area called Kitchen Gear.

Another Approach

Target hasn't gone that far. Where the housewares presentation has been upgraded, as in its California stores, glassware—bulk and 4-pack—is being displayed together on new glass-shelved fixtures. Stemware is heavily represented

Boxed glassware sets, anywhere from 16 to 24 pieces, have become the promotional mainstay for many chains, which hit this area heaviest during the second-half holiday entertaining season.

Housewares distributors have estimated that boxed sets—sold year-round—may account for as much as 25% of the total glassware business among discounters, compared to only about 5% just four-five years ago.

Mark and Debbie met,

fell in love,

and got engaged while waiting in a checkout line.

The NCR 1255 Checkout System has nothing against true love, but it won't play Cupid, either. With the 1255, you don't have to put up with slow-moving lines and sluggish productivity.

Because the 1255 is the fastest, most accurate electronic checkout system mass merchandisers can have going for them. With a price lookup speed of 300 milliseconds or less, your lines will zip along—and so will your productivity.

Of course, that's just the beginning. You can link the 1255 checkout terminals to your back office, or into a multi-store network. That makes it easy to gather sales information and schedule labor more effectively. The 1255 will also compute employee discounts and provide electronic funds transfer.

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You're sure to love the modular system that's used in more checkouts than any other. For information, call your NCR representative. Or write to Mass Merchandise Systems, NCR Corporation, Box 606, Dayton, Ohio 45401 for a free brochure.

NCR
99 Years Experience in Business Systems

Cassette Tapes Edge Past LP Records

Records & Tapes

- Discount Store Sales .. $1.9 Billion
- Sales per Store $235,000
- Department Size .... 1,050 Sq. Ft.
- Annual Sales per Sq. Ft. $224
- Annual Turns 3.3
- Initial Markup 25.0%
- Gross Margin 23.2%

BOXSCORE

Cassette tapes are taking a larger and larger portion of the space allocated for prerecorded music at many stores, such as Zayre, Lyons, Ill. LPs, in some instances, are being limited to the hits. *(DSN photo)*

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Basic phone sales account for over 50% of the multi-million dollar retail phone business.

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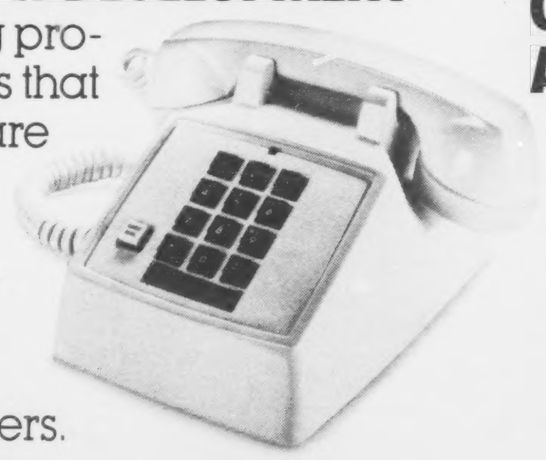

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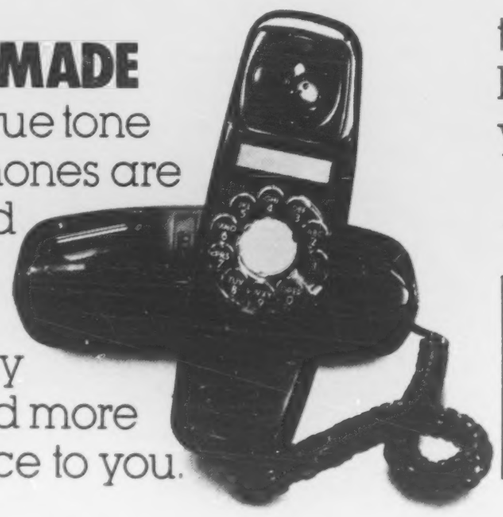

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Special DSN Report

The music industry may have picked up the beat a bit by injecting hit product and new delivery into the market's mainstream but discounters remain cautious as their record and tape department sales generally stay flat.

A rash of hit recordings by new artists in recent months has generated new enthusiasm for prerecorded music. Additionally, cable TV with channels such as Music Television (MTV) has emerged as a forceful delivery system—paralleling FM's emergence in the early 60's, according to its proponents.

However, a moderate upturn in LP sales hasn't been enough to turn the tide. Many chains have continued to hedge their bets by gearing merchandising strategies toward cassette tapes.

Shifting Gears

The resulting shift in the product mix between records and tapes has been dramatic—in many cases, reversing—as discounters attempt to drive the market. Cassettes now account for more than 50% of many assortments.

Cassette success is underscored by Stuart Schaeffer, vp, treasurer of Handelman's, one of the largest rack jobbers for discount stores.

"The boom in Walkman's and other personal hardware contributed heavily to the cassette surge. Cassettes are now over half our overall volume," he said.

In an effort to further stimulate sales, chains such as Wal-Mart, Gold Circle and Murphy's Mart instituted an "open tape" policy making cassettes more accessible than in the past.

The tapes are merchandised in hard, plastic, "shrink proof" browsers where consumers can flip through selections conveniently.

An immediate benefit of the "open tape" philosophy is the generation of greater traffic flow.

"Within the past year we've refixtured all of our stores to 'open tape,'" said Dean Sanders, vp, dmm, hard lines, at Wal-Mart. "Tape sales increased 25%-30%."

However, it was unclear what, if any, portion of that increase resulted from Wal-

(Continued on page 123)

26% Sales Jump Is Projected For Year

Consumer Electronics

- Discount Store Sales . . $5.4 Billion
- Sales per Store $668,000
- Department Size .... 2,250 Sq. Ft.
- Annual Sales per Sq. Ft. $297
- Annual Turns 2.9
- Initial Markup 26.0%
- Gross Margin 15.7%

BOXSCORE

Some chains, such as Wal-Mart, are venturing into the computer business slowly. As seen at the chain's Bentonville, Ark., store, the strategy is to build peripherals and software sales. *(DSN photo)*

Nationwide DSN Report

By its very nature, consumer electronics will take larger and quicker strides in its technological evolution—and discounters are poised to keep pace.

Discount store sales in the category are projected to rise to $5.4 billion this year—a nearly 26% jump over last year, when video games were at their peak and home computers were just beginning to show a significant presence in the discounters. Per-store sales are rising nearly 29% to $668,000 from last year's $519,000 average.

Showing the riskier side of the department, however, initial markups and gross margins are falling, while turns are expected to remain constant at 2.9.

Yet, having received their baptism under fire with video games last year, more and more chains are beginning to feel better equipped—if not more comfortable—with home computers, probably the most vibrant and treacherously volatile product categories in their stores.

Current forecasts indicate that video games will continue their slide while the home computers rise to a stronger position.

Problems Seen

But discounters remain strongly concerned that high-volume sales won't be enough to justify the computers' entry or longevity in their stores. Extreme price competition among the manufacturers and in the retail community itself has robbed computers of their profitability.

As a result, chains that have entered the market have done so with hopes of making their margins on software and peripherals; those that have stayed away believe simply that the market is too difficult in which to succeed.

Bradlees provides a solid example of a third group—those that have opted to enter the home computer market one toe at a time.

The Massachusetts-based chain currently is selling two units at its stores in Boston and newly opened Washington market. But for several months prior to the current test, the chain dropped its single sku believing the market to be too dangerous.

(Continued on page 109)

COMING SOON:
OSCAR™-THE MASKED MARVEL!

Watch him boost your profits and help you sell more home computers.

Who is OSCAR? What is he that every home computer user needs him?

OSCAR is DATABAR's revolutionary new programming concept that will change the home computer market from pure "fun and games" to a much more exciting and serious business.

When you put OSCAR on the shelf alongside your home computers, you'll be looking at 40% profit margins instead of 5%, 7% or 10%. Not only that, OSCAR will also be your hardest working home computer salesman. OSCAR will grab those walk-by prospects who have been holding back waiting for some way around complex keyboard programming and expensive peripherals.

OSCAR isn't quite ready to tell it all yet, but if you sell home computers—we're sure there's going to be an OSCAR in your future. Keep your eye on these pages to find out ***when.***

DATABAR

DATABAR CORPORATION, 10202 Crosstown Circle, Eden Prairie, MN 55344, ***Phone: 612-944-5700***

Buyers Lay Bets on 'Adult' Brand Names

Fall infants' knit sets were on the selling floor for Caldor's Ronkonkoma, L.I., opening in June. Featured were a two-pc. hooded set (right) from the Phillipines at $17.99 and a three-pc. set from Japan (left) at $11.99. *(DSN photo)*

Brand names have found their way into all discounters' apparel departments, including infants' wear. Bradlees' Washington-area stores opened with a $4.99 promo price on Jordache coveralls, regularly $7.99. *(DSN photo)*

Nationwide DSN Report

Discounters are laying their bets on brand names that carry adult-size clout to ignite future sales gains in children's wear.

In more and more stores, Strawberry Shortcake and Smurf have disappeared, and Izod Lacoste, Jordache and Lee and Levi's jeans are taking hold.

Taking their lead from adult active wear in both look and labels—like Members Only in men's wear—chains are making changes in time for fall '83. Both Bradlees and K mart, for example, are stocking striped knit tops and elastic waist pants with side piping bearing labels that read Infants Only, Toddlers Only and Girls Only.

The winning looks are pint-sized versions of what grown-ups are wearing—fleece, active wear and jeans.

For girls, striped ruffled minis and leg warmers, echoing women's dancewear assortments, are fashion offerings for fall.

Quality Plus Price

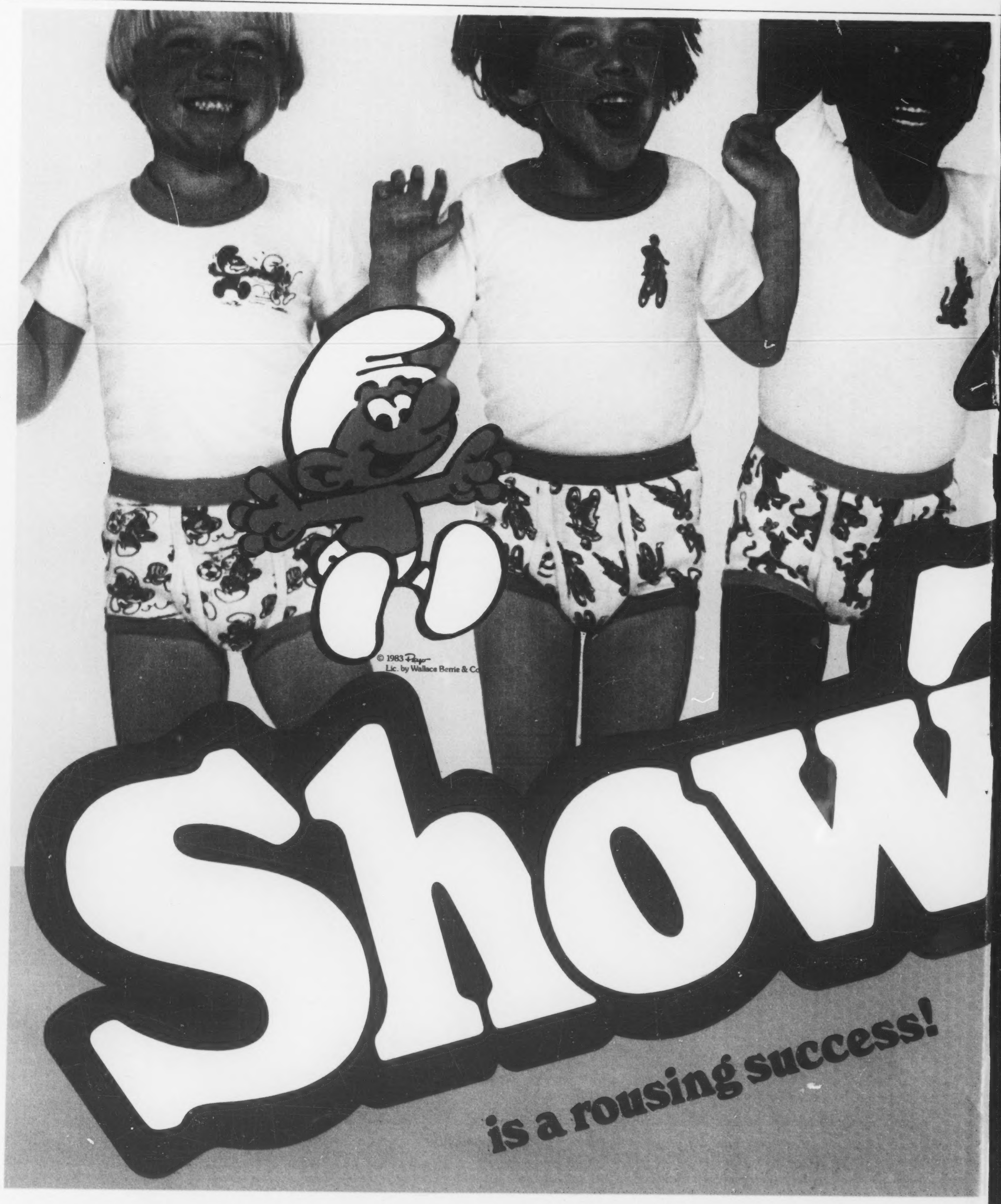
And that's what chains are promoting. To lure moms shopping for girls' sizes seven to 14, K mart offered Vanderbilt, Jordache and Bonjour jeans for girls at BTS. Gold Circle advertised Calvin Klein and Jordache jeans for girls for fall '83.

A number of discount chains, including Clover, Murphy's Mart and Bradlees are playing up Lee jeans for big girls and in some cases for toddlers as a BTS special this year.

While scaled-down adult fashions were prominent for fall, more basic apparel—although with highly visible brand names such as Garan for older kids, Health Tex and Garanimals—remain as department staples.

Licensed character-emblazoned merchandise, lacking a strong national favorite like Strawberry Shortcake, is essentially less important in the apparel category. But one entry for fall '83—Care Bears coordinates for girls—is getting both ads and floor space play at K mart and Bradlees.

K mart put the Care Bears separates on a circular rack off a main aisle. The assortment included cotton blend pants, tops, overalls and skirts priced from $6.57 for a skirt to $9.96 for girls' overalls.



Higher Tickets, Upscaling Swell Volume

Men's & Boys' Wear

BOXSCORE

- Discount Store Sales .. $7.4 Billion
- Sales per Store $915,000
- Department Size .... 7,610 Sq. Ft.
- Annual Sales per Sq. Ft. $120
- Annual Turns 3.2
- Initial Markup 45.1%
- Gross Margin 35.3%

Caldor's merchants say they use a sharp pencil pricing their branded jeans programs. A customer peruses Lee men's jeans, $16.88 retail, at the opening of Caldor's Ronkonkoma, L.I., store. *(DSN photo)*

© 1983, Hanna-Barbera Productions, Inc.
© Walt Disney Productions
TOONS
Isn't it time you joined the revolution?
Thousands of stores already have. And they're reaping the rewards in extra volume and profit. Why? Because ShowToons® underwear is a revolutionary new concept. We took Hanes quality boys' briefs and T's and made them fun. With exciting cartoon characters like Mickey Mouse and Donald Duck! Scooby-Doo and Fred Flintstone! And the phenomenally popular Smurfs™! Boys love ShowToons. So will you. We're so confident, we guarantee the sale.
National Advertising, too! We're boosting ShowToons with 200 million ad impressions this year in eight magazines mothers read most, like Good Housekeeping, People, and Family Circle.
Want to know more? Contact your Hanes Distributor or call Hanes Knitwear, Advance, N. C. (919) 998-8516.
© Walt Disney Productions
© 1983, Hanna-Barbera Productions, Inc.
ShowToons
Hanes
Briefs & T's Sold Separately.
5 New Thermal Designs, Too.
© Hanes Knitwear, Inc. 1983

Nationwide DSN Report

Men's wear is on the move.

With discounters making assertive fashion statements more often than ever, men's and boys' wear departments are becoming higher-ticket, more upscale and crucial to chain positioning.

As a result, category sales are projected to increase by 12.1% by the end of calendar 1983, contributing 10% of the industry's $73.3 billion in sales.

While average department size is remaining constant this year, sales per square foot are projected to rise to $120 from $105 a year ago.

This growth is coming from improved merchandise presentation, a new emphasis on value-oriented but higher-priced, fashion-sensitive goods—and in some cases, by moving name-brand merchandise into the area.

That emphasis on brand name jeans is becoming more prevalent, as chains like K mart, Murphy's Mart, Fishers Big Wheel, Zodys and Heck's carry assortments from Levi's, Lee or Wrangler rather than private label or imports.

Switches Allegiance

Indeed, K mart is shunting its Challenger private label jeans line, and Sears its Tough Stuff, in favor of brands.

A buyer at Fishers Big Wheel described jeans demand this back-to-school season as for "branded and more branded goods. The Lee patch has become a status symbol."

He expects Lee and Wrangler to introduce more expanded lines.

A Murphy's Mart buyer said its Lee and Wrangler prices are roughly double the $7 price of imports it sold last year. Yet, the chain will do 80%-85% of its boys' jeans volume from the two brands.

Besides jeans, activewear and fleece are hot segments of men's and boys' wear. They're part of the rugged survival look that's expected to boom this fall.

The recent surge in men's and boys' wear has led to more appealing merchandising displays. In addition, folded-table items like men's knit shirts are being de-emphasized in favor of goods that can hang on more waterfall, four-way and multi-level circular racks.

Chicken Scratching, Candle-wicking Gain

Fabrics & Sewing

BOXSCORE

- Discount Store Sales .. $1.2 Billion
- Sales per Store $148,000
- Department Size .... 1,300 Sq. Ft.
- Annual Sales per Sq. Ft. $114
- Annual Turns 2.4
- Initial Markup 45.0%
- Gross Margin 38.6%

Two-thirds of Zayre's sewing area is devoted to fabrics, with a growing one-third of fabric sales related to crafts. Discounters agree crafts are becoming the department's key strength. *(DSN photo)*

Nationwide DSN Report

Several new sewing crafts are bringing sales activity and growth to the otherwise flat sewing and fabrics category this year, discounters report.

While an executive for Zayre, based in Woburn, Mass., reported a "drop in overall home sewing sales this year for discount and specialty stores for reasons no one can really put a finger on," he maintained it is "still a profitable department since it brings in the kind of customer retailers like to see in their stores,"—namely, women who shop and browse for an hour or more.

Apart from building the "right kind of store traffic," Zayre's buyer agreed with merchants from Target, ALCO and Murphy's Mart that ever-evolving sewing crafts—for 1983, chicken scratching and candle-wicking—also render the area a potential profit center. Despite soft fabric sales, all plan to stay in the business.

Adding It Up

Most retailers polled by *DSN* concur they have been craft-inspired sales—in both fabrics and notions—which account for this year's projected 9% sales gain in the department discount store industrywide. This would reflect an increase from last year's $1.1 billion to $1.2 billion this year. Sales per store are rising, too, an average 12% from last year's $132,000, to $148,000.

However, reflecting the exit from the fabrics category of several chains last year—including Pamida and Rose's—and K mart's withdrawal the previous year, the average department size is shrinking 50 sq. ft., from 1,350 to 1,300 sq. ft.

At Target, the Minneapolis-based operation, the sewing buyer reported chicken scratching and candle-wicking—two revived embroidery forms—have helped spur the year's sales in yard goods like muslin and gingham.

Nevertheless, fabric sales are off about 4% this year after last year's impressive 30% improvement. The Target spokesman pegged 1982's dramatic increase to K mart's exit from the business.

Rose's, meantime, dropped fabrics last July.

"Sales were slow, turns were poor, sales per square foot were way below company average, and we simply weren't making any money," voiced the buyer for the Henderson, N.C.-based chain. "We have no plans of get-

(Continued on page 130)

The new Thermogrip brand Model 208 Glue Gun.

For all its advanced engineering and high-tech looks, this new trigger-fed hot glue gun offers some amazingly down-to-earth advantages.

Its smooth trigger-feed mechanism puts out more glue, with less effort, than ever before. A solid-state, high capacity melt chamber handles stick after stick of glue without clogging, so it can tackle the toughest jobs. And satisfy the toughest customers.

Its balanced, sculptured shape fits the hand beautifully, and fights fatigue. The lightweight, heavy-duty case resists solvents, heat, and hard knocks. There's even a built-in safety stand that flips up out of the way, or detaches completely. And interchangeable nozzles that make fast, neat work of any gluing or caulking job, almost anywhere.

The new Model 208 tops off the Thermogrip line of best-sellers, with a model for every job and price range. All with hard-working, eye-catching packaging. All backed by one of the largest national advertising programs in the hardware industry.

All of which makes the new Model 208 just the thing to trigger some out-of-this-world profits.

For more information, contact your local Bostik Consumer Division representative, or call (215) 921-2791.

THERMOGRIP TRIGGERS ANOTHER ADVANCE IN GLUING.

THERMOGRIP BRAND GLUE GUN 208

Bostik
CONSUMER DIVISION
Reading, PA 19605 EMHART

1983 Bostik Consumer Division

Improving Economy, DIY Trend Aid Sales

Hardware

- Discount Store Sales . . $4.5 Billion
- Sales per Store $556,000
- Department Size . . . . 3,210 Sq. Ft.
- Annual Sales per Sq. Ft. $173
- Annual Turns 2.3
- Initial Markup 41.3%
- Gross Margin 32.9%

BOXSCORE

Caldor's strength in branded hard lines is probably most visible in power tools, such as these shown at the Golden Ring Mall, Baltimore, store. High margin accessories are merchandised immediately above the items. *(DSN photo)*

Nationwide DSN Report

Hardware sales will continue rising as the do-it-yourself trend, coupled with the economic recovery, inspires consumer spending.

Sales in the category will increase approximately 10%, from $4.1 billion to $4.5 billion, this year, according to *DSN* estimates.

In basic categories like electrical and plumbing, buyers are looking to increases of 15% to 20% over a year ago.

A jump in discounter commitments to tall-ticket bench tools is a partial response to the projected increases. In low-end hand tools, many chains are driving sales with a stronger representation by imports.

While the bench tools have traditionally been sold at discount stores in sporadic promotional efforts, an increasing number of chains are preparing to give them a permanent home on the sales floor.

Murphy's Mart, for one, added a four-times-a-year bench tool program this year, and because of its success, decision-makers are seriously considering adding it year-round.

A Closer Look

Additionally, buyers from Wal-Mart and S. E. Nichols may go with expanded bench tool assortments for 1984.

Carrying 25% everyday margins, the category can attract more sophisticated DIYers to their departments as well as help boost sales in the high-margin power tool accessory business, executives believe.

Wal-Mart, which has been running a seven-sku test program in some of its larger units, currently includes a full line of tools, from a bench grinder to drill press.

On the other hand, Fishers Big Wheel merchandisers, who have been selling three-six sku's of bench tools on a promotional basis several times a year, are holding off on a full-time program. An official said he simply cannot justify the space commitment, since the stores average only 40,000 sq. ft.

Another optimistic trend in hardware is margin improvement in nonelectrical hand

(Continued on page 109)

Read

CLASSIFIED ADS

every issue
in

Discount Store News

AIM for the best Stores' push into the high-end includes power tools which are merchandised on a rear wall of the department. Staggered shelves add interest to the bulk-outs of the merchandise at the Bartlesville, Okla., store. *(DSN photo)*

DIY Trend Aids Hardware

(Continued from page 108)

tools.

Numerous discounters are finding enhanced margins in hand tools by increasing the percentage of imports in their assortments. Retailers generally bring in these goods, mostly from the Orient, to maintain low-end price points.

Buyers from K mart, Murphy's Mart and Wal-Mart all report 20% to 30% of their hand tool mixes are now imports. These items help build another 20% into the category's margins, where their domestically made counterparts yield 25% to 30%.

Fishers Big Wheel, for instance, with 20% of its 820-piece assortment already purchased abroad, added a new program from the Orient this spring. The aim: to keep retail prices under $3.49.

The increases in sales of electrical and plumbing also reflect the continuing growth of the do-it-yourself trend.

In plumbing, the swiftest growth is being seen in basic fix-it items like toilet tank repair kits along with shower heads.

In basics electricals, dimmer switches and outlets are the hottest sellers, according to industry reports.

Batteries were another growth (basic) category this year, with the trend moving away from nine-volt to AA batteries. This is the result of a growth in consumer electronics using this size battery.

In the energy-saving hardware area, new products such as aerosol caulks that spray directly onto a surface without a caulking gun are selling very well, with strong sales anticipated for the cold weather months.

CE

(Continued from page 103)

Murphy's Mart is also taking a cautious track in developing its home computer sales. Following a several-months-long test, the discounter just recently opened its home computer "centers" in stores in Pittsburgh and Baltimore.

Buyers there believe in the computers' potential for their stores, but agonized over the correct formula for profitability. They decided on a change in presentation further aiding self-service, with a heavy emphasis on software. While concerned about many of the same issues, Hills has joined a group of retailers that have decided to bite the bullet and take a "fairly aggressive" stand on the market's potential.

New Approach

The discounter, in time for the fall season, has reformatted its entire CE department, allocating more space to computers to reflect the added emphasis.

But, as the discounters become bolder in home computers, their caution about video games becomes more pronounced.

Buyers for numerous chains report that they've drastically cut back on game hardware and have begun trimming their assortments of game cartridges—often limiting them to the so-called "hits."

As a further hedge against a sudden drop in the market, many are also keeping their inventories extremely lean.

As if the confusion and uncertainty over computers and video games wasn't enough, telephones appear to be joining the fray with recently falling prices and narrowing margins—combined with quiet fears about the market's future.

Adding It Up

Discounters expect healthy sales to continue for some time to come along with a trend toward higher-end instruments. But a shortage of those units, combined with a coming glut of low-end promotional telephones, has caused them worry.

The result has been added caution—and that caution has taken some of the sparkle out of the category's emergence earlier this year.

Nonetheless, most chains appear to have made an extensive commitment to telephones through Christmas and, reportedly, beyond.

STANLEY AND THE '84 OLYMPICS.
THEY'LL HELP YOU BRING HOME THE GOLD.

Sarajevo '84 TM*

1980: The U.S. Olympic Hockey Team skates its way to gold and glory. Olympic fever sweeps the country. And Stanley is there, with the most successful Olympic promotion in hardware-selling history.

1983: Stanley is named official hand tool sponsor of the 1984 Winter Games in Sarajevo, Yugoslavia. And puts together an even bigger, even better Olympic program. To help you cash in on the upcoming Olympic excitement like never before.

A TEAM OF TOP STANLEY VALUES.

First, Stanley's fielding a hand-picked team of specially-priced Stanley tools, from Surform® planes to Powerlock® rules, to saws, hammers, ratchets, levels and more. All wrapped up in the "You Can Do It, America"™ Olympic theme that performed like a champ in 1980. And all supported by a huge variety of in-store sales materials and displays.

PERFECT TIMING: STANLEY'S SPORTSWATCH OFFER.

Next, Stanley's commissioned this limited edition Olympic Sportswatch, designed to close even more Stanley sales. It has full clock/stopwatch/alarm functions, quartz LCD accuracy, and a sport strap emblazoned with the Winter Olympic symbol. It's a genuine collector's* item, and your customers can collect it for just $6.95, when they buy any Stanley Olympic tool and mail back the store coupon.

GOLD MEDAL MEDIA.

Stanley has scheduled full color Olympic spreads in major magazines like *Sports Illustrated, People, Newsweek, Life* and *Ski*, reaching over 42 million adults during the crucial pre-Christmas season.

Followed by a blockbuster, 12-night TV buy within the prime-time Olympic telecasts that over 170 million people will see. With coverage like that, consumers will catch Stanley Olympic fever for sure.

DON'T BE LEFT IN THE STARTING GATE.

See your Stanley salesman for full details on Stanley's biggest Olympic rollout ever. And hurry. It'll be a long four years 'til an opportunity this good rolls around again.

© 1982 OCOG Sarajevo '84

* ™ designates a trademark of the Organizing Committee of the XIV Olympic Games Sarajevo 1984 Used under license from trademark owner.

YOU CAN! DO IT AMERICA™

STANLEY

helps you do things right.®

Discounters Shoot For $3.1 Billion in '83

Photo/Camera

- Discount Store Sales .. $3.1 Billion
- Sales per Store $383,000
- Department Size ..... 675 Sq. Ft.
- Annual Sales per Sq. Ft. $567
- Annual Turns 3.6
- Initial Markup 25.0%
- Gross Margin 18.0%

BOXSCORE

Film and film processing will continue to be strong traffic builders while the rest of the photo department makes its comeback. Price is a key factor in photofinishing at Wal-Mart, Rogers, Ark. *(DSN photo)*

Nationwide DSN Report

The photo/camera department is gradually developing a prettier picture, aiming for the $3 billion mark.

Steady sales in disc cameras persist and low-priced, easy-to-use cameras and film innovations were introduced in the marketplace.

Photo/camera department sales are projected at $3.1 billion, up 9%, from $2.9 billion a year earlier. Sales per store are increasing to $383,000 from $350,000.

Capitalizing on price and simplicity of operation, the disc has become a staple of discounter photo departments. Retailers have also added new sku's of autofocus and range-finder cameras in attempts to heed the easy-to-use lesson of the disc and earlier 110's. SLR's are finding market infiltration slower due to their more sophisticated operation.

New Variation

After last year's explosive introduction, constant disc sales have led to heated competition in the category. Kodak introduced its low-priced 3000 model this past spring to compete with off-brand and low-end imported rivals.

Chains such as Venture, Caldor, Gold Circle, Richway and Meijer have all prominently featured the model in regional advertisements with price points ranging from $29.99 to $34.76.

The low-end emphasis has spread to 35mm with the emergence of modest- to low-priced SLR's. But, the greatest boost is in autofocus and range finders. The category is the fastest grower in the 35mm market due to, once again, price and simplicity.

At Murphy's Mart, the Pennsylvania-based discounter expanded its 35mm line. The chain expects to add three autofocus cameras, with the low-end retailing at $47.

Danners(3D) is considering dropping the high-end SLR in favor of the cheaper range finders. Two sku's of SLR's retailing at over $200 were eliminated in order to add a rangefinder kit for slightly over $100.

The recently created freestanding photo department at Fishers Big Wheel has been experimenting with 35mm accessories. A Fishers merchandiser

(Continued on page 122)

Some interesting numbers for those who think film processing is small change.

Film processing generates over 2.5 billion dollars in retail sales annually.

This figure becomes more impressive when compared to other popular consumer product sales.

Take, for example, men's shaving products (razors, blades and shaving cream). In total dollar sales, photo processing produces three times more retail sales.

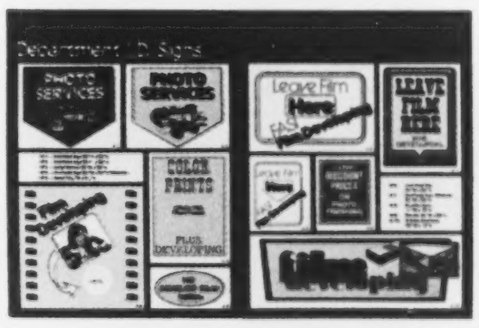
Or cleansing and facial tissue sales, photo processing outsells them four to one.

And photo processing surpasses the combined sales of the greeting card industry.

But the numbers are only part of the story. Smart retailers know that photo processing builds traffic. That it doesn't tie-up cash and inventory. Or take up valuable shelf space. **And most importantly, few product categories deliver more positive cash flow.**

A recognized leader in the film processing industry, Colorcraft does business in 32 states, supported by a network of 24 photo processing facilities.

Colorcraft will help select the program best suited to your stores. Train your people. Set up your operation. And Colorcraft's rigorous standards consistently provide the highest quality and the most efficient service in the photofinishing industry.



The Colorcraft Collection: Signage and P.O.P. Catalog

COLORCRAFT CORPORATION

Corporate Headquarters: Durham, North Carolina (919) 383-8535.
Group Headquarters: Rockford, IL (815) 962-5507. Evansville, IN (812) 423-5254. Charlotte, NC (704) 375-1761. Orlando, FL (305) 898-6112.

Name Brands to Make a Bigger Splash

Paint

- Discount Store Sales .. $1.7 Billion
- Sales per Store $210,000
- Department Size .... 1,270 Sq. Ft.
- Annual Sales per Sq. Ft. $165
- Annual Turns 2.3
- Initial Markup 42.0%
- Gross Margin 35.2%

BOXSCORE

As the do-it-yourself trend blossoms, stores such as Ames, Westfield, Mass., are emphasizing their paint sundries. *(DSN photo)*

Nationwide DSN Report

Using more highly visible national brand paint programs to build traffic, and generally time-proven sundry mixes as a solid margin base, discounters are going after the home fixup business more aggressively.

As a result, paint sales are expected to rise to $1.7 billion by the end of calendar 1983, up from $1.5 billion a year ago. On a store-for-store basis, that increase translates into almost $30,000 in additional sales per unit, to $210,000—from a department whose average size has remained constant from a year ago.

Chains are ta'king different approaches to wring increased productivity from the area.

At Wal-Mart, for example, a recent test saw the Arkansas discounter add a paint-mixing capability to two stores' paint departments.

Figures Analyzed

The chain is figuring that the increased traffic—lured by the custom color potential—will more than offset the increase in labor and material costs (the mixing machine and color chips), which the chain admits are minimal. In addition, the chain would cut its assortment of premixed colors.

To get the program off the ground, the custom colors will be mixed free of charge.

ALCO, for its part, is looking to squeeze profitability from its (name-brand) paint program by warehousing the product.

Capitalizing on an offer from its supplier—Du Pont—the chain saved 6% on its orders by going to bulk ordering and picked up an additional 10% warehouse allowance. Those savings will be translated into an increased promotion budget that will allow the chain to keep making its customers aware of the department.

Gold Circle, on the other hand, went further afield in the wall-covering area and moved a wallpaper program into its paint department—a category most discounters have long avoided because of the considerable inventory and space demands that go with the more fashion-sensitive merchandise.

Keeping the price of the double rollpacks in the $14.99 to $24.99 range, the chain began moving a 144-sku program into its stores.

We've redecorated our cans to make your sales look better.

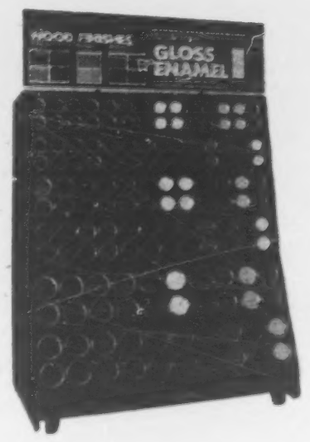
All the Red Devil wood finishing cans have a brand new, eye-grabbing look.

With warm wood-tone colors and dramatic graphics that do a lot more than just get the attention of do-it-yourselfers.

They actually help explain in pictures just which around-the-home jobs each Red Devil product is best suited to do. Whether it's for furniture, cabinets or floors.

So every Red Devil can is actually a salesman sitting on the shelf.

And there's no better shelf for them to sell from than our customized display. A dazzling display of stains and colors that no weekend handyperson could help but notice.



And only Red Devil has displays that can be tailored to your special selling needs. You pick the mix that's just right for your selling area.

So put them all together—Red Devil paints, stains, removers and displays—and you've got a sales force that can't help but make your sales, and you, look better than ever.

RED DEVIL®
Little cans for tough jobs.™

An Insilco Company RED DEVIL® PAINTS & CHEMICALS, 30 NORTH WEST STREET, MOUNT VERNON, NEW YORK 10550 / TELEPHONE (914) 699-3311

ELECTRIC HOUSEWARES CENSUS '83/'84

Space-Saving Concept Adds Excitement

Electric Housewares

- Discount Store Sales . . $1.6 Billion
- Sales per Store $198,000
- Department Size ..... 870 Sq. Ft.
- Annual Sales per Sq. Ft. $228
- Annual Turns 4.0
- Initial Markup 28.3%
- Gross Margin 16.1%

BOXSCORE

Gaylords, New Orleans, enhances the basics approach to presenting electrics by including filters as a tie-in on a gondola side that mass-displays drip coffeemakers. *(DSN photos)*

Nationwide DSN Report

Has the merchandise excitement returned to electric housewares?

Discounters certainly hope so—and they cite the introduction of under-the-counter space-saving kitchen appliances as the spark.

While accepting the continuing "basics" nature of the small appliance business, discounters and catalog showroom operators polled by *DSN* expressed enthusiasm about the space-saving concept in general and the introduction of such products by a growing number of manufacturers.

Merchandisers, in fact, are looking for a strong second-half and holiday period as vendors promote a broad array of space-saving electrics as the new "must-have" appliances.

But, discounters aren't putting all their hopes on just one small-appliance area. They are also avidly pursuing other merchandising moves to maintain and even boost electrics sales.

A key counter to the basics approach is upgrading small appliances—either by giving the section a fashion look as K mart is doing in a number of its stores or adding upscale, conventional department store lines and European vendors as Bradlees has commenced to do.

Stronger Impact

The upgrading push is meant to counter electric's low initial markups and gross margins by adding higher profit lines and by boosting the total ticket through tie-in sales of appliances that are fashion coordinated.

The cold performance statistics of small appliances illustrate the need for these different merchandise motivations.

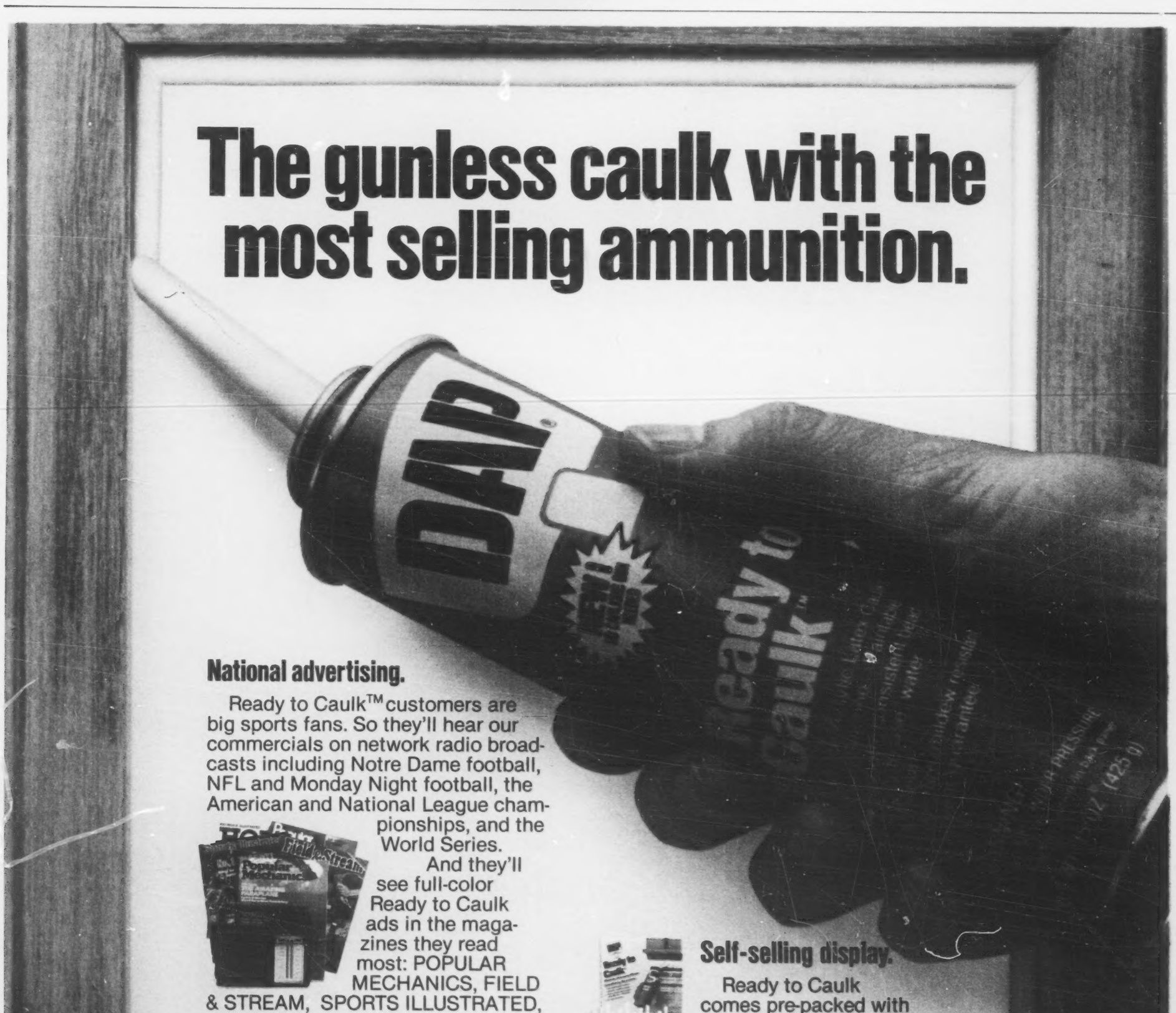
DSN estimates that electric housewares sales this year will hit $1.6 billion, a slight gain from last year's $1.5 billion. Per-store volume is expected to reach $198,000 this year, compared to $181,000 last year, with sales per square foot jumping to $228 vs. $206 in 1982.

The initial markup is seen as shooting to 28.3% from 23%, but the gross margin will be flat at 16.1% vs. 16% last year.

The interest in space-saver items is evident from the selling-floor action at a number of discounters.

(Continued on page 122)

The gunless caulk with the most selling ammunition.



National advertising.

Ready to Caulk™ customers are big sports fans. So they'll hear our commercials on network radio broadcasts including Notre Dame football, NFL and Monday Night football, the American and National League championships, and the World Series.

And they'll see full-color Ready to Caulk ads in the magazines they read most: POPULAR MECHANICS, FIELD & STREAM, SPORTS ILLUSTRATED, and more.

Co-op advertising.

Through October 30, 1983, we'll give you a hefty 10% allowance on your net Ready to Caulk purchases for co-op advertising. Use this generous allowance for your own newspaper and TV advertising. Drop-in ads and a 30-second TV commercial are available from DAP.

10%

Self-selling display.

Ready to Caulk comes pre-packed with $1.00 OFF consumer rebate certificates in a self-merchandising display. It gives you maximum shelf or counter impact and generates fast take-away.

Order Ready to Caulk today.

Ready to Caulk is ready to sell for you. Contact your DAP sales representative now. Or call Keith Adams toll free, 1-800-543-3840.

DAP®

Depend on the pick of the pros.

© 1983 DAP, Inc.

Growth Areas Point to a Healthy Future

Health & Beauty Aids

BOXSCORE

- Discount Store Sales .. $5.2 Billion
- Sales per Store $642,000
- Department Size .... 2,275 Sq. Ft.
- Annual Sales per Sq. Ft. $282
- Annual Turns 4.2
- Initial Markup 25.4%
- Gross Margin 18.8%

Nationwide DSN Report

There is no shortage of growth areas in H&BA.

Discount buyers have separated the fads from the full-blown trends and positioned themselves for a fat future.

Healthy margin winners including vitamins and natural food supplements, face care treatments, contact lens solutions and designer fragrances have continued to gain momentum. The constant gains have prompted buyers to beef up their selections in those categories.

With the broadened assortments in place, discounters are projecting 1983 sales-per-square-foot figures 16% higher than last year's. Overall industry volume from H&BA is expected to rise by a slimmer, but still substantial 13%.

To make space for wider selections of profit producers, chains trimmed sku's of fad-type items. In diet aids, for example, consumers turned their attention from pills to flavored powdered drink mixes—buyers followed suit. But, noting the faddish quality of the category, buyers picked up only two or three sku's of powders and cut overall diet footage.

Meanwhile, buyers witnessed a shakeout in the hand and body lotion category last winter. Many of the therapeutic-type lotions which hit the market late in 1981 but failed to garner meaningful sales were dropped and sections trimmed to make room for the still-expanding face treatment category.

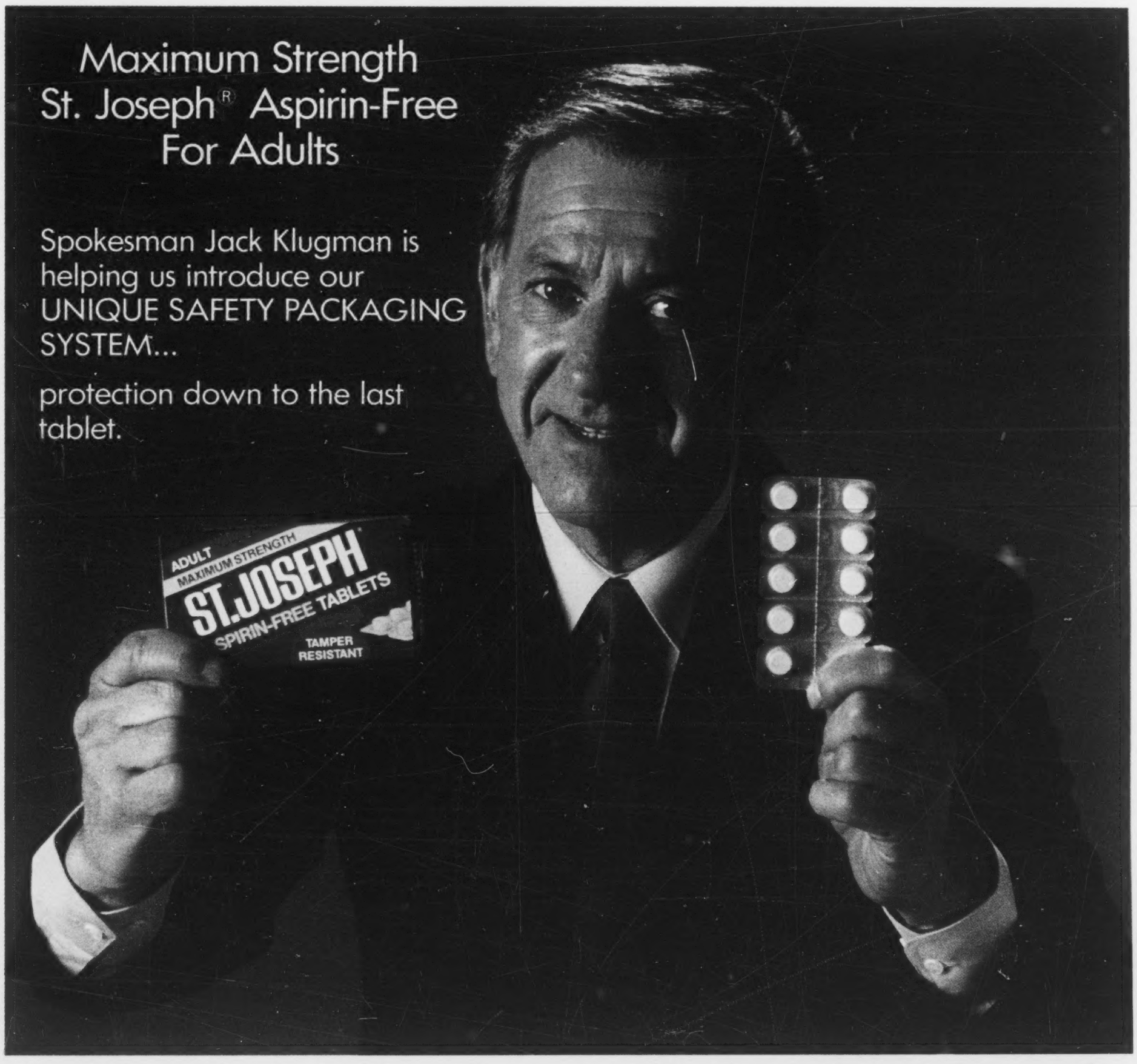
On basic items such as hair care, deodorants and dentifrices, discount buyers met with

(Continued on page 130)

Maximum Strength
St. Joseph® Aspirin-Free
For Adults

Spokesman Jack Klugman is helping us introduce our UNIQUE SAFETY PACKAGING SYSTEM...

protection down to the last tablet.



The popular star of Quincy, Jack Klugman, is carrying the hard-hitting St. Joseph story to millions of consumers in a straightforward, persuasive commercial that delivers the facts—facts that create the demand for this unique, impressive product.

- The first individually safety sealed maximum strength analgesic.
- A unique safety packaging system: Tamper resistant outside packaging with tamper indicators, PLUS inside individually safety sealed tablets in tamper resistant blisters. These multiple safety measures offer protection down to the last tablet.
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Discounters Stretch Brand Name Lineup

Ladies' Apparel

- Discount Store Sales . $13.3 Billion
- Sales per Store $1,644,000
- Department Size ... 10,000 Sq. Ft.
- Annual Sales per Sq. Ft. $164
- Annual Turns 5.2
- Initial Markup 46.5%
- Gross Margin 36.0%

BOXSCORE

Ames' refurbished Westfield, Mass., store denotes fashion emphasis by an up-front location for ladies' wear, a front-facing apparel display along wall and new wall decor and signing. *(DSN photo)*

Nationwide DSN Report

The soft lines gmm for a major discount chain said, "We dropped Calvin Klein jeans to put in the Chic line."

That comment is an indication of the growing importance and availability of traditional department store brands to the discount stores.

With the discount store women's apparel market projected to stand at a hefty $13.3 billion in 1983, up 13% from $11.8 billion last year, branded apparel manufacturers are becoming more and more receptive to a slice of that growing market. Some brands are being bought direct, others from diverters but on a continuity basis, and, in one discounter's words, "with the manufacturer keeping one eye closed."

Branded goods still represent a small portion of total discount store women's apparel business, and the "names" are heavily concentrated in the jeans area.

But, the brand name lineup is an important part of many chains' strategy for attracting more affluent customers as they trade up their storewide market positioning and attempt to build their profitable women's apparel sales as a percentage of total store volume.

Important Role

The women's apparel impact on total store bottom line is evident from *DSN's* 1983 projections for the category. With annual sales per square foot at $164, turns at 5.2, initial markup at 46.5% and gross margins at 36%, women's wear is expected to turn in the strongest performance of all soft lines departments.

To capitalize on this, discounters are employing a combination of approaches: upscaling merchandise and fixturing; giving the category more prominent store positioning; adding brand names, and spinning off new departments—junior, full-figure and petite, among them.

This spring, for instance, Caldor launched separate junior and petite departments, each with its own buyers. Bradlees created a Plus Size department. Hills is experimenting with a separate full-figure department in a handful of stores.

Bradlees and Hills have already achieved a high level of

(Continued on page 130)

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PERSONAL CARE APPLIANCES CENSUS '83/'84

Hair-Care Brands Gain

Nationwide DSN Report

America's obsession with health and physical fitness awareness is breathing new vitality into the personal care electrics category.

The steady sales of hair care products and the continuing success of air purifiers are helping to pump 1983 sales up to a projected $2.7 billion from $2.5 billion a year ago. Sales per store are expected to increase to $334,000 from $301,000. Turns are falling off from 4 to 3.8 but initial markup is improving to 30.9% from 22% a year earlier.

The consumer desire to look good aided hair care products in their about-face.

Innovative Techniques

New features and innovative packaging on brand names added a much needed spark to the stagnant department. This, coupled with aggressive pricing, including manufacturers' double-rebate programs, has taken a substantial bite out of the private label business by narrowing the retail price gap.

K mart, Target, Zayre, Magic Mart and Rose's were among those stocking PL lines which were running $2 to $3 less than brand names before manufacturers declared war.

Many buyers who had cut back sku's of branded product opted to pick up additional branded lines at the July Housewares show.

Blister-carded packaging for pro-style mini-dryers, folding dryers and curling irons was among the changes generating excitement in the usually hard-to-display category.

Wal-Mart was among those testing the carded line; the Arkansas chain will expand the program chainwide later this year.

More Winners

Recent new product introductions are also refreshing interest in the category. Norelco's wall mount blow dryer, a curling iron with a soft flocked barrel from Clairol and a new hot air curler/styler from Conair are among the new entries discounters are interested in.

Buyers are also enthusiastic about some new packaging ideas—including two hair care appliances sold together.

At Zayre, a mini-dryer and curling iron combo will debut in a single package this fall. Still, much of the chain's strength in the area will continue to be its PL program which included knockoffs of almost every branded name.

Aggressive rebate programs were a major factor in brand name resurgence. At one Midwestern discount chain, the hair care appliance buyer noted that with double ($2 or $3) rebate offers from manufacturers such as Clairol and Conair, they were able to offer consumers more value in brands—and consumers were responding.

In addition to just looking good, consumers' overall concern about their health sent air purifier sales skyrocketing.

Water purifiers, however, didn't fare as well.

The introduction of new larger air units that purify greater areas combined with national advertising campaigns, boosted sales substantially, discounters report. At the same time, prices declined 10% as new manufacturers entered the market and heated up competition.

The new action in the category prompted many discounters to trade up.

Gold Circle continues to stock five sku's of air cleaners but has replaced its low-end model with a moderately priced larger unit.

ShopKo has followed the same course, adding Rush Hampton's 800-cubic-ft. unit at $74.99 to its assortment of Pollenex and Conair.

At Harts, air purifier sales gained 10% and the chain is planning to trade up in the near future.

Water purifier sales, on the other hand, appear to be drowning without a rescuer in sight.

The initial reasons given for the downslide were the popularity of bottled water and the fact that most consumers don't believe their water to be undrinkable.

Gold Circle carries two sku's that retail at $27.99 and $34.99 but business has been extremely off and the chain is considering dropping the category.

At Grand Central, the buyer felt placement was the key but the move into the plumbing department hasn't strengthened sales and the chain is also contemplating the elimination of the product.

Blood pressure kit sales were also on the rise, thanks to health-conscious consumers.

The units run the gamut from manual models with stethoscope, armband and meter priced in the low teens to electronic models with LED displays and paper printouts priced at about $200.

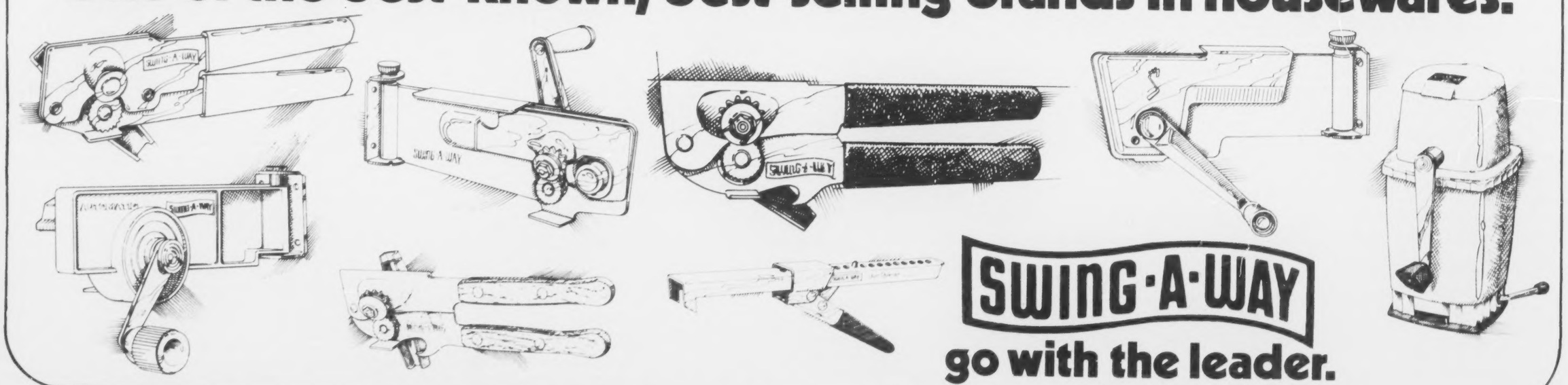
Personal Care

- Discount Store Sales .. $2.7 Billion
- Sales per Store $334,000
- Department Size ..... 850 Sq. Ft.
- Annual Sales per Sq. Ft. $393
- Annual Turns 3.8
- Initial Markup 30.9%
- Gross Margin 19.7%

BOXSCORE

Venture's strong focus on self-service is evident in the personal care appliance section in its Chicago stores, where this merchandise is mass-displayed above and below samples. *(DSN photo)*

One of the best-known, best-selling brands in housewares.



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High-Ticket Items Score in Exercise Equipment

(Continued from page 78)

ing goods category's growth this year. They received a great deal of attention at the last National Sporting Goods Association show, which featured some 20 manufacturers. Heck's Adkins said Gravity Guidance and Exertec were the most competitive, with price tags of about $200.

"I think the gravity boot is bigger than ever," a sporting goods buyer for Gold Circle, Worthington, Ohio, recently stated, noting the chain carried the Gravity Guidance system for $199.

The system features a bar that can be mounted across a door or hallway and special boots with inverted hooks allowing the user to hang from the bar upside down.

Higher-end exercise bikes are also benefitting from consumer willingness to take part in the health craze. Retailers polled by *DSN* expected a 20% sales gain from stationary bikes with adjustable seats, speedometers, odometers and timers.

Epitomizing the impact of physical fitness on retailers is S. E. Nichols' expected installation of a fitness center in its larger stores.

All units measuring 100,000 sq. ft. or more will be supplied with an expanded selection of higher-end exercise bicycles and weight-lifting benches in addition to a test nutrition program. This unique area will include 25 sku's of weight-loss, weight-gain and muscle-builder powdered mixes.

Nichols' new fitness centers will fill two sides of a 20-ft. gondola run, with merchandise displayed on the top tier and stock on the lower shelves.

It's a Throwback

By contrast, discounters are generally backing away from high-end fish and tackle equipment, instead relying on the middle- and low-ends this season.

However, the shift isn't attributable to softness in the category. Buyers indicated that the growth of specialty fishing and boat stores, as well as a strong entry by catalogers, has captured the interest of some of their customers who are serious fishermen.

As a result, chains have begun directing their merchandising efforts more toward the occasional sportsman. Many have trimmed their assortments of rods and reels retailing for more than $100, and have placed a new focus on combination sets.

Ames now carries 15 sku's of combo sets, an increase of three over last year, with prices ranging from $3.99 to $60.99, everyday.

At Glosser Bros./Gee Bee, combo sets currently account for 40% of the chain's fishing and tackle sales, according to buyer Esther Gerber. The reason: customers in the chain's trading areas—locations where there is high unemployment—can no longer afford to spend $80 on a reel, she said.

Caldor also offers combo sets—frequently featuring them on endcaps. However, the upscale chain continues to appear strong in its presentation of higher end rods and reels.

But the generally lower-end push in fishing and tackle appears to stop with that category. Even items merchandised with fishing equipment—such as canoes—continue their upward thrust in price points.

In fact, discounters have reported a "tremendous" selling season with canoes, a high-ticket category that can retail for as high as $399.

Discounters believe they are filling a niche in the business by offering consumers who want an inexpensive, close-to-home vacation a more convenient place to buy canoes.

While margins on canoes run at about 30%, buyers report the accessory business—items like life-preservers, boat seats, wood and aluminum paddles—bring in healthy 45% markups.

The sporting goods department at Mars stocked one 15-ft. canoe this year as part of a chainwide test. A buyer for the chain reported it was "extremely successful."

"Canoes are a tremendous opportunity," echoed Denny Feldman at Van Leunen's. "It's a blind market because there aren't a lot of retailers in the business."

Response to the program was so strong, he had to reorder more canoes in the spring.

Discounters have found that fish-and-tackle equipment lends itself strongly to cross-merchandising. Grand Central, Salt Lake City, seizes the opportunity to show hats, camouflage shirts, thermal wear and down vests. *(DSN photo)*

Target

(Continued from page 55)

grams. These include:

- Focusing on computers and telephones as hot growth areas that will spark a heavy emphasis on consumer electronics. Target unveiled a new CE prototype in its Los Angeles stores that has working computers on one side and all software and video cartridges on the opposite side. The chain carried about a dozen different models that range to almost $1,500, along with such high-end peripheral items as color monitors and disk drives.

  In telephones, Target has developed a new planogram that includes a major commitment to the A.T.&T. phone center program.
- Emphasizing activewear and name brands in apparel. Activewear in ladies' and men's wear sections is spotted under large color photos of people in jogging outfits and tennis attire and this merchandise receives prominent front-of-department footage.

  The name brand effort has seen this merchandise grow to about 25% of the apparel mix, more than doubling during the last several years. While diverters provide about 75% of the branded lines, the percentage is shrinking as more and more major resources go after the big dollars that Target can produce for them.
- Playing up a wide variety of home furnishings-oriented merchandise in housewares and hardware. This move tied into the growing DIY interest in updating, maintaining and repairing homes and the fact that a number of lines in this area produce higher margin, either because they are direct imports or because of the better quality.

  Higher-margin glassware and gift housewares, for example, are now being displayed on glass shelf fixtures for a fashion look.

  In hardware, almost 200 different wallpaper patterns are shown on self-service cubes that also provide instructions on how to measure and apply the wallpaper.

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Under-Counter Space-Savers Spark Electrics

Wal-Mart, Bentonville, Ark., illustrates the traditional basic display of electrics used by many discounters. The presentation has samples on gondola shelves above boxed stock ready for customer pickup.

(Continued from page 114)

At Gold Circle, the under-the-counter can opener has performed so well since its introduction last fall that the merchandiser is expanding the assortment. Due to be added are another can opener and a dial-and-hand clock timer coffeemaker.

A Hills merchandiser maintains the space-saving concept isn't only for urban markets, as some retailers argue. The buyer, who has carried the under-the-counter can opener since last fall with "exceptional" results, is bringing in one new coffeemaker along with a knife.

Lechmere, meantime, plans to add five new space-saver items to give the chain at least six sku's of under-the-counter electrics.

Manufacturers have recognized the potential customer draw—and profitability—of space-saver products and plan to actively promote these electrics. But, a missing element in their plans is heavy rebates for these items.

This downplaying of rebates for under-the-counter products reflects a general lessening of the use of this promotional gimmick by many manufacturers. Fewer items are due to be rebated in the fall, with the focus mainly on older staple items that can use such a shot-in-the-arm to hypo sales.

Discounters, of course, aren't necessarily unhappy with the reduced use of rebates for electrics. It means less paperwork for the chains and also allows merchandisers to be more flexible in promotions by freeing them from the need to schedule an item during the specific period in which it is being rebated.

Rebates, however, continue to be an important promotional vehicle for electric housewares. Discounters, working through the National Mass Retailing Institute, are attempting to develop a common method of handling the paperwork.

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STRATEGY NO. 2

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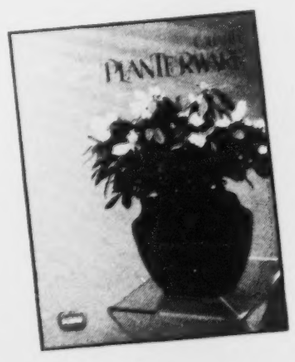

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Photo

(Continued from page 111)

said that if adjunct sales took off, the next logical step would be to sell the cameras.

Discount stores currently account for about 20% of overall SLR sales.

Despite brisk disc sales, 110 pocket cameras haven't been buried yet.

Many discounters feel that 110's will remain strong until disc cameras come to dominate the market.

Along with competitive camera sales, the film market received a boost through the introduction of faster, more sensitive color print film. The new series, introduced by both Kodak and Fuji, is expected to increase the popularity of picture taking by offering superior quality.

Kodak has generated interest in its VR series by offering a trial pack for $3.99, advertised by many of the chains. The package includes four rolls of 12 exposures each in speeds of 100, 200, 400 and 1,000 ASA.

The strength of the disc accounted for the growth of disc film, now turning more quickly in most departments.

At Prange Way, twin packs of disc film are among the strongest sellers. Twin packs outsold single disc packs by as much as 9 to 1 at Gold Circle.

Merchandising Move

Kodak's packaging of twin packs with every camera and aggressive rebate programs made it easier for consumers to accept the double load as a standard necessity.

Private label film has softened, although discounters such as K mart and Prange Way continue its merchandising.

Gold Circle dropped its PL film entirely, while Heck's is weighing the alternatives. Both cite the difficulty in promoting private label.

K mart took a bold step in the photo field by experimenting with in-store film processing mini-labs. The chain announced that it may expand the system to a number of stores.

A company spokesman pointed to its built-in base of film processing and the increase of traffic once a better service is offered.

The jury is still out on last year's innovative entry in the photo market, 3D cameras. Early flat results have left most buyers with a wait-and-see attitude on the sales potential of the model. The lowering of prices from $250 to below $100 didn't appear to spur interest. Despite heavy marketing campaigns some retailers were still left with sizable inventories.

Cassette Business Edges Past LP Volume

(Continued from page 100)

Mart's change in the mix. Cassettes now hold a 60%-40% edge in the chain's assortment, an increase over last year's even split.

At Murphy's Mart a similar "open tape" experiment was deemed a success in a Pittsburgh test store, according to Frank Dziabiak, buyer for the chain. It's now being rolled out in the Baltimore-Washington area.

The change in attitude is also apparent at Gold Circle, where cassette sales increased more than 100% in remodeled stores.

That increase was only partially attributable to the renovations. Sales rose 60% in their "hands off" stores.

"We're remodeling as quickly as possible. We prefer to get it out from lock and key," said Harry Sutmiller, buyer for the Ohio-based chain.

The product mix at Gold Circle has moved to about 70%-30% favoring tape.

Prange Way has gone from a 55%-45% LP majority to a 55%-45% cassette edge. Ken Nyberg, associate buyer for the chain, reports sales up 20%-25%.

"We're attempting to feature the cassette first and the LP secondarily," he said.

While many chains continue to rely heavily on rack jobbers for their departments, Target and Gold Circle have begun to streamline their operations by eliminating the service.

"We're trying to become our own jobber," explained Sutmiller. "We've eliminated tremendous expense and dramatically reduced inventory. In our Dayton test store, where we've racked ourselves, albums were up 5%. In our Pickwick and Lieberman-racked stores, albums were off as much as 30%."

In additional moves to bolster profitability, many chains have pared new LP releases in favor of stocking a larger number of budget and middle-line records where profit margins are much greater.

Children's recordings have also expanded and are being cross-merchandised with toys and books.

While 8-tracks have dropped from sight in most markets, Bruce Ropiecki, buyer for Maloney's, still sees some life.

"We continue to sell to a lot of rural areas where 8-track is the predominant format," he said. "Last Christmas, 8-tracks accounted for over 60% of our tape business."

The popularity of cable TV gave sales a shot in the arm as music video debuted to millions of new viewers.

"Since the advent of cable and MTV there's been renewed interest in record buying," said A. R. Stevenson, vp, government and public relations, K mart.

Schaeffer of Handelman's concurred: "The penetration of cable TV into the rural areas has significantly generated new record sales."

Nonetheless, Schaeffer indicated the surge was temporary and he came down firmly on the side of cassette tapes as the new force in prerecorded music.

High Tickets Advance in Lawn & Garden

(Continued from page 96)

place yet, merchandisers there believe the market is ripe for this high-end merchandise. Retail prices for the chain's 1983 patio-set program, with five sku's, ranged from $99 to $200.

In line with the patio furniture tradeup trend, consumers are also moving up to higher-priced gas grills with more accessories.

Shoppers wanting extras, such as larger grilling areas, upfront controls, thermometers, gas level gauges, cutting boards and gas tank covers, are willing to spend $50 to $60 more, buyers from chains including Jamesway, Heck's, K mart and Zayre agree.

To capture this market, discounters are planning advertising strategies for next season that will coax consumers to step up to higher-end units.

Wal-Mart, which carried three gas grill models this season, is planning to add one or two more next year, said the buyer. Prices now range from $99 for a basic unit with grill and gas tank, to $188 for a deluxe model. Next season he plans to add a model priced at about $219; this will be a double-grill with several accessories.

Meantime, in power mowers, retailers reported a surprisingly successful season, despite preseason worries that new safety regulations would raise prices anywhere from $30 to $100 per unit. In actuality, prices rose a "minimal" 10%, discounters said, adding that the rainy spring helped spur mower sales.

At Jamesway, the Consumer Product Safety Commission's new regulation tacked only $10 on each of the chain's four lawn mower models, priced at $119.99 and $229.99.

Indeed, the wet season that helped grass grow high encouraged Wal-Mart's shoppers to accept the 10% price increases. With a four-sku-mix running from $118 to $167, the buyer intends to possibly exchange some sku's for new styles in 1984.

Domestics

(Continued from page 95)

chandises lifestyle furniture, throw pillows, rugs, lamps, wall prints, chair coverings, hassocks and decorative accessories.

Table linens, place mats, napkins and accessories are logically housed in the Table Top area along with dinnerware, flatware and glasses.

For Nichols, the New York City-based chain, 1983 also represents a year of "dramatic changes" in domestics, according to the buyer. Following "an awful 1982," he reported "sensational sales" so far this year.

While the average 5,000-sq.-ft. department has remained constant, he performed a major overhaul on the assortments, reducing sku's in every line and consolidating vendors.

New Approach

"We are going for a more upscale mass merchandising look," the buyer said, using Caldor and Bradlees as models. "There is more coordination of merchandise on the fixtures now, compared to having relatable goods 30 yards apart."

One interesting and new item for the Nichols department, according to the buyer, is water bedding. He said this is a growing item in the suburbs, noting a recent furniture store ad featuring five water beds. The sheets, which are constructed slightly differently from their traditional counterparts, retail for about 20% more.

While Heck's buyer reportedly did not make any significant changes in the chain's domestics offering this year, she said business is up some 35%. And that follows last year's 30% upswing.

Items that are moving well at the Nitro, W. Va.-based operation include Cape Cod and Priscilla curtains. The latter are priced between $20 and $25. The chain's $2.99 bath towel is also moving briskly.

In sheets, Heck's assortment consists of 15 prints sets, priced at $13.99 for twin-, $19.99 for full- and $25.99 for queen-size.

There are also four pastel solids available—blue, pink, yellow and green—plus white. These are sold only as open stock, she said, since in Heck's rural markets, country women buy more flat sheets, which they use for quilting.

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Jewelry Sales Rise Is Seen

(Continued from page 86)

with fine jewelry, however. Don Kiser, buyer for Murphy's Mart, has experienced a leveling off in gold business.

"Gold just isn't pulling like two years ago," he said.

Kiser, among other buyers, cited the re-emergence of costume jewelry as a force in the department. Pop-colored enamels have been among the best sellers for many retailers.

"Costume business has been dead for the past two years but the previous few months have looked very promising. It's the colors that have been picking it up," explained Kiser.

At Prange Way, the gain in costume business has been more dramatic.

"We've been doing extremely well in costume," said Deitte. "Fine jewelry has been off for us, gold chains have peaked and the move has been toward enamels, particularly earrings."

The bright-colored enamel helped push costume business up 20%-25% at Smitty's, reported buyer Gerald Goshe.

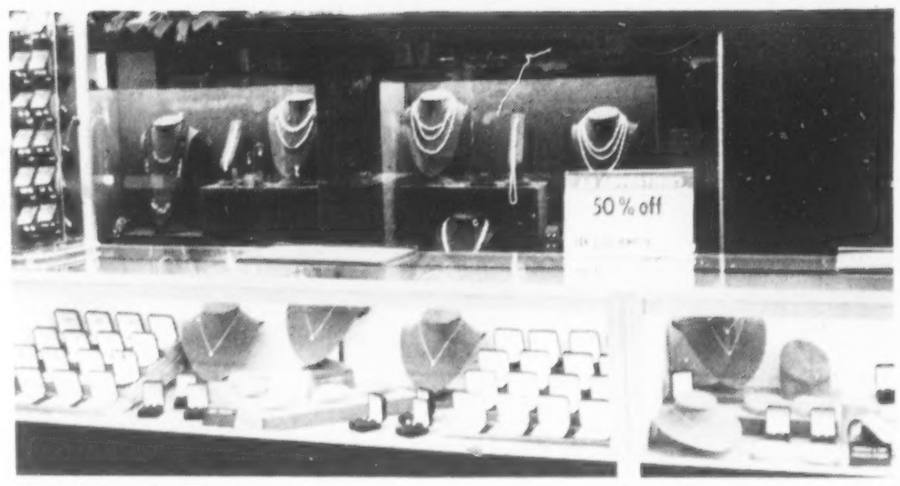
Along with renewed costume activity, lower-end digital and promotional watches continue to thrive but sales figures are deceiving. Don Kiser explained: "Watch sales are up unit wise but off dollar wise. The average price has dropped from $9.98 to $3.98 and we have to sell twice as many to make our profit. We're taking a beating on volume."

Some discounters have been combatting this by adding higher-end, name-brand quartz analog watches to their inventories.

Gold Circle has been featuring Seiko chronographers at $45 along with low-end fashion LCD's at $9.99 in regional circulars.

Zayre continues to feature famous brand 17-jewel or quartz watches at $39.98 in its advertisements.

CE-oriented products such as solar calculators (activated by available light) and digital pen watches have been selling out of the jewelry department and doing big numbers. K mart reports the calculator, priced below $10, as one of its best sellers.



Bradlees' 14k temptations are made more palatable by a 50%-off advertised special. The Annandale, Va., unit also displays a wide selection of costume merchandise, demonstrating renewed sales vigor this season. *(DSN photo)*

Expansion by Gaylords in Southeast Is Due

(Continued from page 61)

new bonus and incentive programs which delineate areas under the direct control of managers and supervisors.

"We're going to operate on a grassroots basis, with input and ideas flowing from the bottom upwards," said Nusim. "We want to use the thoughts and knowledge of store managers and associates in our planning and programs so we can better respond to our markets and competition."

Sales during the fiscal year ended Jan. 29, 1983, were $114.5 million, down from $118.3 million a year earlier. However, sales per store were up 2.4%.

Net earnings fell to $85,000, compared with $471,000 during fiscal 1981, when the company also had net aftertax gains on real estate transactions of $323,000. The company attributed its performance drop to heavy promotional markdowns it took to clear inventory when closing stores, as well as competitive pressures brought on by Woolco and Barkers "going out of business" sales in New Orleans.

Having picked up five Barkers units, Gaylords now operates 10 in that metropolitan area and appears to be K mart's main competitor for market share in the land of the Mardi Gras.

Gaylords has already refurbished the new stores to conform with its new interior design format—which is marked by earth tones and a race-track layout filled with hard lines by perimeter walls, soft goods in the raceway infield, and convenience sections like health and beauty aids at the front of the store.

Gaylords currently operates 34 full-line discount stores, averaging 60,000 sq. ft., in 10 states throughout the Eastern corridor, plus six Towers catalog showrooms, averaging 40,000 sq. ft., in three states.

Stationery

(Continued from page 92)

selling color, with yellow the second most popular and brown coming in third, according to a buyer.

For tax season the Worthington, Ohio-based chain tested more items with a fashion appeal: plastic milk-carton-type hanging file boxes, KD typewriter tables, KD ready files and a plastic version of an accordian file.

Prange-Way's assortment of desk accessories was expanded to include six colors. A buyer for the Green Bay, Wis.-based chain said that by the start of spring the smoked gray version was the best seller.

At Fishers Big Wheel, a 15-store test of expanded 28-ft. home office sections included plastic desk accessories in five colors: yellow, blue, red, brown and smoke.

Different Techniques

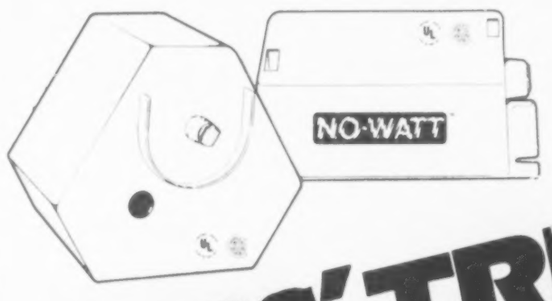
In school supplies, most buyers were planning to price sharply on filler for back to school to draw traffic—they could afford to since their costs were down by 11%. But for profits, buyers were looking to spiral notebooks and theme pads with licensed characters.

In that category most chains went with five or more characters this year instead of two or three as in the past. The winning combination includes such proven hits as Garfield, Shirt Tales, Snoopy, Muppets and Critter Sitters.

To cash in on the popularity of licenses year-round, Gold Circle broke out a 4-ft. licensed card section this year. That way the chain can use a variety of sources on a rotating schedule to get all the hot-selling characters on board.

In eight stores, the chain is testing "split management." Instead of sticking to a program from Gibson or American Greetings for the section as most discounters have done in the past, the greeting card space is divided between Gibson and Drawing Board in the test stores.

At Cook United the greeting card department was moved to a high-traffic location at the front of the store with endcap displays of licensed cards used during the summer months, when there are no holidays.



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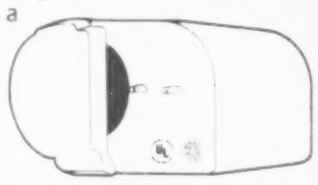

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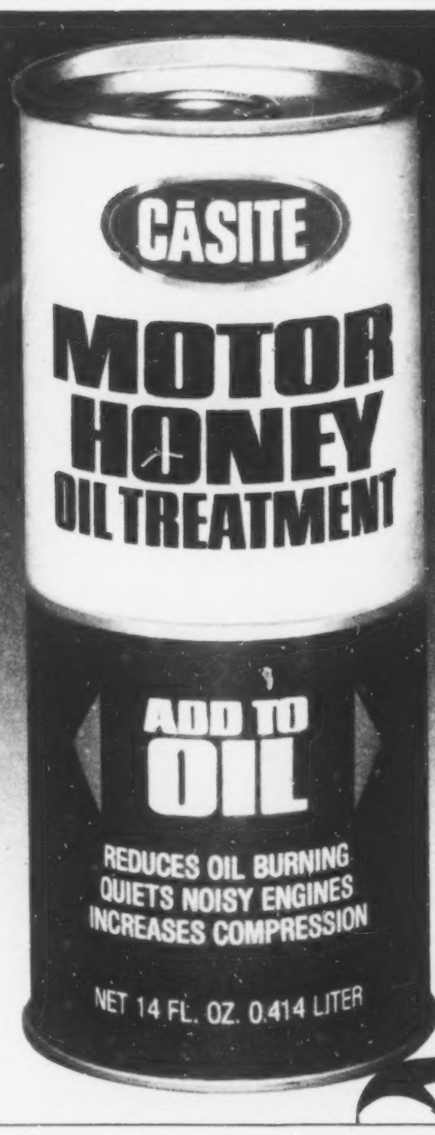

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- ☐ *Promotion support:* watch for nearly 300 million high-value consumer rebates to drop in Sunday newspaper inserts.
- ☐ *Continued support:* '83 was a great year for ORTHO Ready-to-use...get ready for a new, non-stop promotional push in '84!

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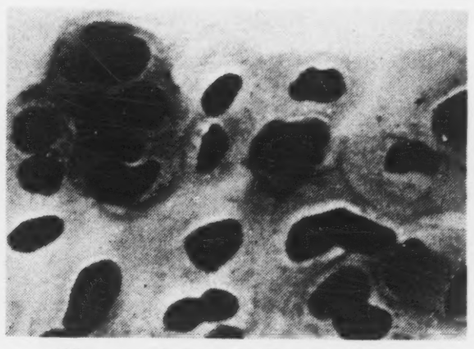

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Well, depending on where you work, you could get cancer. Asbestos has been proven to cause cancer. Certain toxic chemicals like formaldehyde and freon are being investigated. If you've worked with radioactive particles or even worked near them, your risk is greater.

And even if you've worked nowhere hazardous, it wouldn't hurt to get a checkup. Because the incidence of cancer after the age of 45 to 50 increases rapidly.

Over the next several years the American Cancer Society will be conducting more research into certain lifestyles and exposures which could increase cancer mortality.

So know the risks.

Don't smoke.

Watch what you eat and drink.

Look for the warning signs of cancer.

And retire not only with a gold ticker.

But a healthy one, also.

AMERICAN CANCER SOCIETY®
How you live may save your life.

This space contributed as a public service.

Ladies' Apparel

(Continued from page 119)

soft lines sales. Soft lines—including domestics—at Bradlees represents 60% of sales. At Hills, apparel alone represents 60% of sales.

Caldor is working on bringing soft lines business much above 30% of sales. Its new junior and petite areas are part of that effort. The chain has also added more upscale fixturing to its women's departments, and it has boosted opening price points to project a better quality image, one that's more consistent with its hard lines reputation.

This year Caldor also launched a new top-of-the-line private label program under the name Marc Robbins for all soft lines departments. For fall the label was prominent in women's hosiery and intimate apparel.

Discounters have taken a variety of approaches to brand names. Bradlees' management, for example, has said it's interested only in buying on a direct-and-with-continuity basis. That posture appears to have softened—as long as continuity of merchandise is available. For fall such brands as Chic, Tres Classique, Peabody's, M. J. Sport and Bonjour were added.

The soft lines gmm for another New England-based chain said: "What a lot of us are doing is working a line through a diverter. The hope is that the manufacturer will like the volume he's doing with us and ultimately consent to sell us on a direct basis.

Most discounters incorporate brands in their stocks, frequently giving new arrivals on-the-aisle positioning. Caldor, for example, gave Trousers Up junior sportswear a main aisle spot when it added the line.

H&BA

(Continued from page 116)

aggressive price competition from low-margin H&BA outlets. As a result, prices on key items were constantly footballed to draw traffic, and industrywide gross margins in H&BA are slipping 19% from last year's 22% to a projected 18.8% in 1983.

To get relief, many chains combined sharp pricing on basics with merchandising moves meant to establish their stores as a source of higher margin lines:

- At Richway, Zayre and Wal-Mart diverted designer fragrances such as Lauren, Halston, Norell and Nina Ricci have been switched from the holiday-only status and become part of the everyday selection this year. Buyers at those chains are hoping that when Christmas rolls around shoppers will remember seeing the permanent sections.
- Buyers At Hills, Gold Circle, Danners and Payless all expanded their face care departments in anticipation of 15% to 20% sales gains this year. To fill the additional shelf space (in most cases taken from hand and body) chains are picking up Oil of Olay's Beauty Bar, Sea Breeze oil-free moisture lotion Neutrogena liquid cleanser and, at Hills and Payless, Youth Garde lotion from White Hall Labs.
- Gaylords launched an 11-unit test of a planogrammed 8-ft. vitamin section, more than double the size of its former 4-ft. sections. The new sections offer a more complete selection that includes Rexall naturals and a controlled label in addition to national brands.

Fabrics

(Continued from page 107)

ting back into fabrics. Let the piece goods shops have the business."

While the larger Rose's units used to feature some 10 5-ft. tables of fabrics in the department in addition to notions, what is left is a 20-ft. gondola run of sewing notions. Crafts are merchandised as a separate department next to notions.

According to the buyer, the department has inherited a pattern collection, which occupies 6-10 ft. under a five-year contract with McCall's which doesn't expire until January 1985. Pattern sales are down 30%, he noted, somewhat relieved there is no inventory investment, only space.

By mid-October Rose's notions areas will be fully serviced by an Atlanta wholesaler, Sewing Sales and Services, the buyer said. He is projecting bottom-line improvement when the distributor takes over the sku's-intensive department, containing 500 to 600 items, since he expects a stronger in-stock position than in the past.

Murphy's Mart has also made innovations in its notions department with the installation last January of 75 sku's from Singer. The buyer indicated that the chain, which now carries two suppliers, may go 100% Singer for fall.

This move marks a consumer tradeup of 10% to 15%, he said, pointing to his margin increase of 7%.

"Customers are willing to spend the additional dollars," he observed. "The program has been in the stores for over six months now, and we are very enthused."

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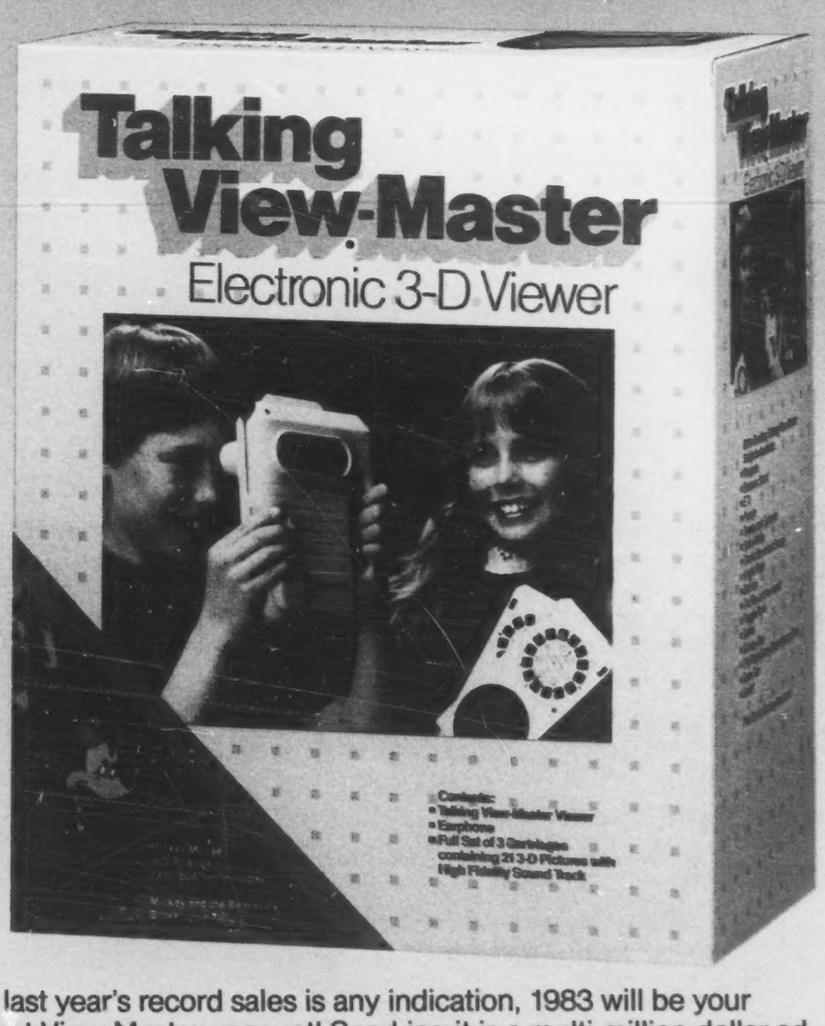

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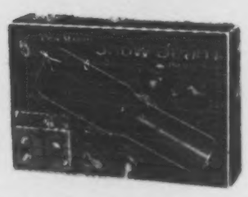

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L&G Supplement: Pp. 35-50
SPARC Awards: Pp. 25-29

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

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Computer Break-ins: A Growing Concern

"Give a moderately competent hacker 10 minutes on a backroom minicomputer and he could probably break the [headquarters] mainframe."

—A computer security expert for Columbia University.
Nationwide DSN Report

Discounters' computer and point-of-sale (POS) systems are becoming increasingly vulnerable to tampering with the growing use of telecommunications and microcomputers.

The situation is most acute for those chains presently maintaining an on-line status—allowing computer-to-computer communications—with their stores, distribution centers, suppliers and banks, as well as for those undergoing a rapid data processing expansion, according to management information specialists.

"[The discounters'] systems are all basically the same," said the Columbia expert. "And, since the systems are so similar, it's entirely possible that one company could be working to get into another company's system—it's just not that hard to do.

"The biggest danger is that people are ignorant of what real computer security is all about."

Indeed, the computer security issue wasn't even raised by discounters at a recent National Mass Retailing Institute conference on security.

As most discounter management information system (MIS) executives see it, their access controls are adequate. They also argue that, by and large, their systems are neither sufficiently advanced nor contain sensitive or valuable enough data to warrant the use of more stringent measures.

Despite their rationale, questions about computer security seem to strike a nerve among some discounters.

For example, the MIS executive for a Southern-based chain reported that a 22-year-old college student had been caught and arrested for breaking into the company's system.

Within minutes of the admission, the chain's two top officials called to deny that the incident ever occurred.

Said one local law enforcement official of the denial: "I'm not surprised that they don't want to talk about it. There are very few arrests and even fewer prosecutions involving computer tampering. Usually, the companies make the trespassers sign a non-disclosure agreement after they've told them how

(Continued on page 78)

Execs Spark SPARC Fete

Harold Frank, chairman of Bradlees (l.) and Carl Bennett, founder and chairman of Caldor (r.) were the guests of honor at *Discount Store News'* annual SPARC (Supplier Performance Award by Retail Category) banquet. Fred Filer, *DSN's* publisher (c.), presented the awards to the two retailers during the banquet, which also saw 54 manufacturers honored for their outstanding service to the industry. Story and photos appear on pages 25 through 29.

Shoppers' Reactions Are Mixed To Changes at Jefferson Ward

[This story was researched by Al Heller and Marilyn Neerman, and written by Heller.]

MIAMI—Whichever way you look at it, Jefferson Ward is a chain in transition.

Whether or not the 48-store discounter manages its latest changes well (see *Discount Store News*, Sept. 19, 1983), it's clear that the hoped-for turnaround won't happen fast.

Also, if a reportedly impatient Mobil Corp. decides to sell the chain in the meantime, as reliable trade sources insist could happen, the acquirer will have to overcome operations and merchandising problems currently ingrained at Jefferson Ward.

For now, however, Jefferson Ward chairman Arnold Suval is working furiously to right the discounter. He's attempted to improve central buying, tighten distribution, renovate stores and cut back costly service-oriented departments in order to help bring his firm into the black.

It's clear that Jefferson Ward shoppers have noticed many of the changes, some with favor and others not, based on a *Discount Stores News* shopper survey conducted recently in Florida, the area considered to be the chain's current stronghold.

More than one-third of the shoppers surveyed visit Jefferson Ward at least once a week. Another 44% said they shop there less frequently—but at least once a month.

Further, these shoppers seem to represent a solid middle class base for the chain. Among the shoppers surveyed at Jefferson Ward's Kendall and Hallandale Diplomat Mall stores, 34.3% had household incomes of more than $40,000 and 21.9%, $25,000-$40,000. The chain runs some risk, however, of losing these high-income shoppers as it moves away from a heavy service orientation. It's a strategy that has apparently caused customer confusion about what to expect in-store.

According to Jefferson Ward

(Continued on page 4)

Remerchandises Matco, Opens Yale's Showrooms

Dolginow Alters Mattingly Operation

LEXINGTON, Mo.—Mattingly Stores has revamped its operation into two distinct but overlapping retail businesses: 14 Matco Home and Clothing discount specialty stores and three Yale's catalog showrooms.

The changes made during the past year by Yale Dolginow, head of the privately held company, were capped last month by the conversion of three former Matcos in suburban Kansas City, Mo., markets into Yale's showrooms.

Since its acquisition by Dolginow Inc., a Missouri holding company also headed by Yale Dolginow, Mattingly Stores has been phasing out its former 14-unit Mattingly variety store chain. Only two such units in Missouri remain.

Concurrently, the Matco discount stores were remerchandised to focus on basic apparel goods for the home and health and beauty aids.

Commodity merchandise such as convenience foods was dropped and the assortments were narrowed in categories like hardware and auto.

Dolginow said the changes were made so that Mattingly could compete better with larger retailers like Wal-Mart, K mart and T.G. & Y. by operating different types of discount-oriented stores that are geared to the needs of rural and suburban customers.

Matco offers a broad mix of basic apparel and a tight selection of hard goods. Yale's goes the other route, merchandising a wide assortment of hard lines and a limited amount of basic clothing and domestics.

The two operations complement each other. Matco shoppers can even order goods from the Yale's book in a catalog order desk in each Matco store.

The former Matcos that were converted to Yale's were a 36,000-sq.-ft. store in the White Oak Plaza in Blue Springs, a 30,000-sq.-ft. unit in Lee's Summit and a 27,000-sq.-ft. store in the Cedar Tree Square in Belton. The communities have population figures of 10,000 to 25,000 and are within a 30-min. drive from downtown Kansas City.

The suburban nature of these markets resulted in the decision to operate these stores as catalog showrooms—the retail field in which Yale Dolginow grew up in—rather than as revamped Matcos, which are geared to rural shoppers.

(Continued on page 77)

DSN Digest
Oct. 10, 1983

AGMC CONVENTION
• **Speakers at this week's con**vention of the Association of General Merchandise Chains, on Marco Island, Fla., will focus on the event's "Strategies For Success" theme. (pp.15-17)

LAWN & GARDEN
• **Chains are expected to con**tinue upgrading their mixes. The 1983 season produced such winners as gas grills, mowers, string trimmers and bug killers, all expected to score again in 1984. (supplement, pp. 35-50)

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LAWN & GARDEN

Low-end charcoal grills, like these on display at Aim for the best, Bartlesville, Okla., still account for six times the unit sales of gas grills. *(DSN photo)*

Even Deeper '84 Effort Planned

Many Buyers Report Hot Sales Of Accessory-Laden Gas Grills

Nationwide DSN Report

Discounters—no longer as fearful of getting burned by higher price points—appear willing to plunge even deeper into accessory-laden gas grills next season.

Their boldness in the category jumped significantly with the season just ended; many buyers reported soaring sales, especially on the high end.

Although charcoal grills still outpaced their gas-fired counterparts by about 6 to 1 in unit sales, gas grills dominated dollar volume.

Overall, discount department stores continue to be the leading retail supplier for the category, according to industry figures.

The gas grills' strong performance, coming on the heels of a rain soaked spring, caught many buyers—and manufacturers—off-guard. Some were already planning early markdowns when the category took off. Those who went ahead used the lower prices to further drive the category.

By many accounts, gas grills with carts—those with a boxed frame base instead of a single pole—emerged as the hot items. And, they figure prominently in many of the chains' growth plans for next year.

"It was a surprise to us," said Mike Rutkowski, buyer for Gold Circle. "They took away from our midrange business."

The chain's offerings last summer were limited to four sku's, including one cart model. That assortment will be expanded to a fifth sku next year, Rutkowski said.

Prices ranged from $119.99 to $269.99, with the cart grill holding the top price point. However, during an early season Father's Day promotion, the chain cut prices by at least 25% across the board, making the range $89.99 to $179.99.

Changing Prices

Additionally, Gold Circle offered a portable table-top gas grill, which Rutkowski said also performed strongly. However, because the portable unit was more subject to price footballing, he indicated that he'll be looking for a more sharply priced unit for next year.

"The gas grill market is one of the biggest dollar producers in the store," he said.

The trend toward more features on the grills—with the demand for carts predominant—was also seen by Zayre, which apparently is planning a narrow and deep strategy for 1984.

Last summer the chain carried six gas grills priced from $99 to $239. Two were cart units at the upper-range price points of $179 and $229.

More Important Role

Merchandise manager Nils Pederson said he's considering a reduction in the overall assortment—to five sku's—while expanding the cart offerings to three.

The bulk of this year's sales, he said, were in the $149 to $159 promotional range.

The chain also offered one portable unit, which was promoted at $38, he said.

A key reason for the chains' aggressive pursuit of the gas grill business is their 30%-plus margins, although buyer Lee King of Zodys noted that there was "some erosion" on the low end, with some discounters going down to what he termed a "nasty" $89.99 on the units.

Nonetheless, Zodys will attempt to maintain its four sku's—including one cart—in the $119 to $229.99 range.

But the tendency for erosion on the low end—perhaps combined with a loosening of consumer spending—may be helping the chains trade up,

(Continued on page 41)

How to reach the green.

by Jack Nicklaus

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LAWN & GARDEN

High-ticket grills dominate a freestanding display at a Caldor in Baltimore. Volume of mid-priced units is hurting, buyers said, because shoppers are either trading up to top models or sticking with low-cost charcoal grills. *(DSN photo)*

Grill Sales

(Continued from page 40)

as suggested by Murphy's Mart buyer Roy Fowler.

Murphy's Mart carried six sku's of gas grills last summer, ranging in price from $99 to $200. One was a cart unit, selling for $159, and Fowler said he plans to add one more next year.

Although the chain's prices began at $99, its heaviest promotions occurred in the midrange price points.

For example, Murphy's Mart advertised two gas grills in one of its newspaper tabs—an "economy" model, promoted at $127.88, regularly priced at $147.88, and a "deluxe" model, promoted at $146.88, regularly priced at $166.88.

Advertising Move

While neither was a cart unit, the chain strongly advertised their other features, including pushbutton starters and dual burners with separate heat controls.

That same tack was taken by many other chains, including some that hedged on a commitment to cart units last summer.

At S. E. Nichols, the cart units were "tested" in a number of stores last season, with more than encouraging results. But the chainwide program was limited to four sku's of gas grills at price points ranging from $100 to $200.

Next year the program will be expanded to include the cart units—in the over-$200 price range—chainwide.

"The category is so hot that we'll definitely add something," the buyer said.

Barbecue Grill Industry Unit Sales Performance, Projections

(All figures in millions, except for percentages)

		CHARCOAL		GAS GRILLS		
Year	Total Industry	Units Sold	% of Industry	Units Sold	% of Industry	% Increase Over Previous Year
1979	11.1	9.6	86.8	1.3	11.9	12.8
1980	11.6	10.1	87.1	1.2	10.6	– 7.3
1981	11.8	10.2	86.6	1.4	12.1	16.3
1982	12.0	10.2	85.2	1.7	13.8	15.3
1983	12.4	10.3	83.0	1.9	15.4	15.2
1984	12.9	10.5	81.2	2.2	17.0	15.8
1985	13.3	10.5	79.2	2.5	18.9	13.6
1986	13.5	10.5	78.1	2.7	20.0	8.0
1987	13.7	10.5	77.0	2.9	21.2	7.4

Source: Arkla Industries, Market Data.
Note: Percentages do not add up to 100 because of rounding and small market shares held by other barbecue grills products.

Demographics of Gas Grill Customers

Age

18-24	13.3%
25-34	19.5%
35-44	22.2%
45-54	26.6%
55 and Older	18.4%

Education

Did Not Graduate High School	15.9%
Attended College	17.8%
College Graduates	21.3%
High School Graduates	45.0%

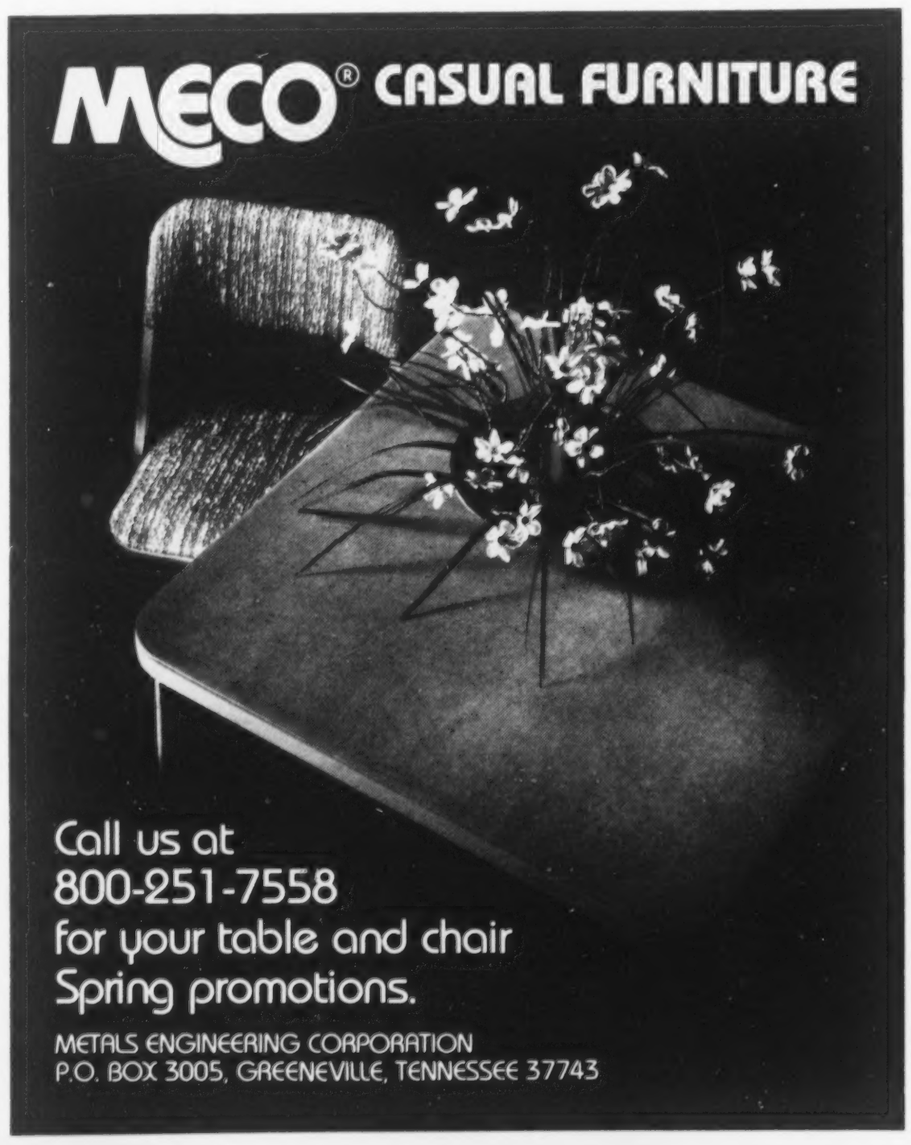
Home Ownership

Residence Owned	87.8%
Value Over $60,000	65.7%
Value Under $60,000	34.3%

Household Income

$35,000 or More	29.2%
$25,000 to $34,999	31.2%
$20,000 to $24,999	16.8%
$15,000 to $19,999	10.6%
Under $15,000	12.2%

Source: Arkla Industries market data



READY-TO-USE SUPPORT.

- ☐ ORTHO Ready-to-use racks up big sales...brings in big profits...because ORTHO promotes them *right.*
- ☐ *TV support:* watch how 15 weeks of news and prime-time television can skyrocket ready-to-use sales in '84.
- ☐ *Promotion support:* watch for nearly 300 million high-value consumer rebates to drop in Sunday newspaper inserts.
- ☐ *Continued support:* '83 was a great year for ORTHO Ready-to-use...get ready for a new, non-stop promotional push in '84!

THE ORTHO EDGE: *Solid Support* for weed, insect and household pest products.

Chevron ORTHO
Chevron Chemical Company